



## BRIDGE LOGISTICS VALUE FUND II LP

LIMITED PARTNERSHIP INTERESTS

SUPPLEMENT TO THE  
JUNE 2023 CONFIDENTIAL  
PRIVATE PLACEMENT MEMORANDUM

December 2024

The information set forth in this supplement dated December 2024 (this “Supplement”) supplements, modifies and amends the Confidential Private Placement Memorandum, dated June 2023 (together with this Supplement, the “Memorandum”), relating to the offering of limited partnership interests (“Interests”) in Bridge Logistics Value Fund II LP (the “Partnership”). The Memorandum includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended or superseded, to constitute a part of the Memorandum. The notices to investors contained on pages i through vii of the Memorandum apply equally to this Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Updates to the Memorandum Generally

Unless the context otherwise requires, the use of the word “may” and similar references in this Memorandum regarding the policies or practices of, or contemplated actions by, the General Partner, the Partnership and/or their affiliates is intended as a statement that such policies, practices or actions are authorized and permitted by investors under this Memorandum in the relevant circumstances. Similarly, unless the context otherwise requires, the use of the word “may” in the context of disclosures and/or conflicts of interest is intended as a statement that such items from time to time are expected to occur.

BLV II GP Promote LLC (the “Special Limited Partner”) has been established by the General Partner to receive all Carried Interest from the Partnership in lieu of the General Partner. Accordingly, all references to the “General Partner” as the recipient of Carried Interest distributions, and all rights and obligations related thereto, have been replaced by references to the “Special Limited Partner,” including, without limitation, the right to receive tax distributions and the obligation to return certain Carried Interest distributions in circumstances addressed in the “Clawback” section. The reference to “Indemnitee” has also been amended to include the Special Limited Partner.

To reflect his departure from Bridge, all references to Michael Winiarski in the Memorandum, including, without limitation, his biographical information, are hereby deleted.

B. Update to Section I. Executive Summary

As of the date hereof, the Fund has completed or expects to complete the transactions described in Appendix E – The Partnership’s Assets and Pending Acquisitions, attached hereto.

C. Update to Section II. Summary of Key Terms

Section II of the Memorandum is hereby amended by restating the paragraph in the subsection “Term” in its entirety as follows:

“Eight years from the Initial Closing, subject to extension in the sole discretion of the General Partner for up to two additional successive one-year periods; *provided*, that prior to extending the term of the Partnership for the second such one-year period, the General Partner shall consult with the Advisory Committee (which, for the avoidance of doubt, shall not require the consent of the Advisory Committee).”

Section II of the Memorandum is hereby amended by restating the paragraph in the subsection “Management Fee” in its entirety as follows:

“Commencing on the Initial Closing, the Partnership will pay a management fee (“Management Fee”) to the Investment Manager based on the Capital Commitments of each Limited Partner.

The Management Fees will equal (a) with respect to Capital Commitments made to the Partnership on or prior to December 31, 2024, (i) for Capital Commitments of less than \$1 million, 2.25% per annum, (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 1.75% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$50 million, 1.25%, (iv) for Capital Commitments of \$50 million or more but less than \$100 million, 1.00%, and (v) for Capital Commitments of \$100 million or more, 0.75% per annum, and (b) with respect to Capital Commitments made to the Partnership at any Subsequent Closing after December 31, 2024, (i) for Capital Commitments of less than \$1 million, 2.50% per annum, (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 2.00% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$50 million, 1.50%, (iv) for Capital Commitments of \$50 million or more but less than \$100 million, 1.25%, and (v) for Capital Commitments of \$100 million or more, 1.00% per annum, in each case based on Capital Commitments during the three-year period following the Initial Closing, and thereafter on the original amount of equity used to acquire the assets held by the Partnership as of the close of the last business day of the immediately preceding calendar quarter (including the relevant Limited Partner’s pro rata portion of the indebtedness incurred by the Partnership or a subsidiary to fund such original amount of equity in lieu of a drawdown, and without reduction for the amount of any capital returned to Limited Partners in respect of assets then held by the Partnership (including as the result of any refinancings)), provided, that if, as of the date of the close of the last business day of any calendar quarter, the cost basis of the assets held by the Partnership has not been finally determined as of such date, the General Partner may (x) use such cost basis information as is then currently available for purposes of determining the Management Fee and (y) make such adjustments as are necessary to the next quarterly Management Fee to reflect any difference in the Management Fee that would have been payable on such prior date had the initial cost basis information been available as of such date.

Increases in Capital Commitments made at any Subsequent Closing after December 31, 2024 will be treated as separate Capital Commitments from those made on or prior to December 31, 2024 (other than for purposes of determining a Limited Partner’s Management Fee tier).”

D. Update to Section VIII. Detailed Summary of Terms

Section VIII of the Memorandum is hereby amended by restating the first paragraph in the subsection “Term” in its entirety as follows:

“The Partnership will, unless earlier dissolved and terminated pursuant to the Partnership Agreement, continue in business until the close of business on the eighth anniversary of the Initial Closing (the “Term”); provided, that the General Partner may, in its sole discretion, extend the Term of the Partnership beyond the eighth anniversary of the Initial Closing for up to two successive one-year periods; *provided*, that prior to extending the Term of the Partnership for the second such one-year period, the General Partner shall consult with the Advisory Committee (which, for the avoidance of doubt, shall not require the consent of the Advisory Committee).”

Section VIII of the Memorandum is hereby amended by replacing the subsection entitled “Management Fee” with the following:

“Commencing on the Initial Closing, the Partnership will pay a management fee (“Management Fee”) to the Investment Manager based on the Capital Commitments of each Limited Partner.

*Capital Commitments made on or prior to December 31, 2024*

The following Management Fees will apply to the Capital Commitment of any Limited Partner made on or prior to December 31, 2024: (i) for Capital Commitments of less than \$1 million, 2.25% per annum; (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 1.75% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$50 million, 1.25%, (iv) for Capital Commitments of \$50 million or more but less than \$100 million, 1.00%, and (v) for Capital Commitments of \$100 million or more, 0.75% per annum.

*Capital Commitments made after December 31, 2024*

The following Management Fees will apply to the Capital Commitment of any Limited Partner made after December 31, 2024: (i) for Capital Commitments of less than \$1 million, 2.50% per annum, (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 2.00% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$50 million, 1.50%, (iv) for Capital Commitments of \$50 million or more but less than \$100 million, 1.25%, and (v) for Capital Commitments of \$100 million or more, 1.00% per annum.

The Management Fee is calculated in each case based on Capital Commitments during the three-year period following the Initial Closing, and thereafter on the original amount of equity used to acquire the assets held by the Partnership as of the close of the last business day of the immediately preceding calendar quarter (including the relevant Limited Partner’s pro rata portion of the indebtedness incurred by the Partnership or a subsidiary to fund such original amount of equity in lieu of a drawdown, and without reduction for the amount of any capital returned to Limited Partners in respect of *assets* then held by the Partnership (including as the result of any refinancings)), *provided*, that if, as of the date of the close of the last business day of any calendar quarter, the cost basis of the assets held by the Partnership has not been finally determined as of such date, the General Partner may (x) use such cost basis information as is then currently available for purposes of determining the Management Fee and (y) make such adjustments as are necessary to the next quarterly Management Fee to reflect any difference in the Management Fee that would have been payable on such prior date had the initial cost basis information been available as of such date.

With respect to a Limited Partner that makes a Capital Commitment on or prior to December 31, 2024 (“Initial Commitments”) and subsequently makes additional Capital Commitments at one or more Subsequent Closings (“Additional Commitments”), for purposes of calculating the Management Fee: (a) the Initial Commitments and any Additional Commitments made by such Limited Partner will be treated separately, (b) only the Initial Commitments shall be subject to the discounted Management Fee rates set forth under “Capital Commitments made on or prior to December 31, 2024” above, and (c) the Additional Commitments will be subject to the Management Fee rates set forth under “Capital Commitments made after December 31, 2024” above, as applicable, with the Management Fee rates charged on such Additional Commitments based upon the lowest applicable fee rate based upon the aggregate Capital Commitments of the

Limited Partner (taking into account both the Initial Commitments and the Additional Commitment).

Limited Partners admitted to the Partnership at a Subsequent Closing will contribute (from their Unfunded Commitments) their pro rata share of the Management Fee that otherwise would have been payable by such Limited Partner had such Limited Partner been admitted prior to the Subsequent Closing, plus additional amounts accruing like interest thereon in an amount equal to 8% per annum. Such contributed amounts (other than such additional amounts) will reduce such Limited Partner's Unfunded Commitment.

The Partnership may pay the Management Fee from draw-downs of Capital Commitments which will reduce Unfunded Commitments, or out of any Partnership assets (including Investment Proceeds). The General Partner or the Investment Manager may elect to waive or reduce Management Fees for any Partner in its sole discretion, and in such event the Partnership's Management Fee obligations will be reduced by a corresponding amount. In addition, the General Partner or the Investment Manager may elect to waive or reduce Management Fees for any Partner in its sole discretion in exchange for a right to receive the amount of the waived or reduced fee (the "Cashless Contribution") from distributions of future profits otherwise attributable to the other Partners related to the Cashless Contribution."

Section VIII of the Memorandum is hereby amended by adding the following clause between clauses (xviii) and (xix) in the subsection "Partnership Expenses":

"(xix) fees, costs and expenses incurred in connection with retaining, meeting or otherwise engaging with property brokers and other third parties in connection with sourcing, acquiring, financing, disposing of or otherwise managing Investments for the Partnership, including out-of-pocket costs in respect of the foregoing, travel (including airfare consistent with the Investment Manager's travel policies), reasonable meals, gifts and entertainment expenses;"

Section VIII of the Memorandum is hereby amended by restating the definition of "DTC Investments" in the subsection "Restrictions on Competing Funds" as follows:

"(ii) logistics properties that do not fall within the Investment Guidelines of the Partnership (including for the avoidance of doubt, investments with land costs at acquisition of \$50,000,000 or greater, and/or involving a development scheme which is multiphase, business park development or multi-story warehouse, and/or a total project stabilization period with respect to such development which exceeds 36 months, or investments made in close geographic proximity to such development projects pursuant to customary rights offered to counterparties in such development projects in the ordinary course ("DTC Investments"))"

Section VIII of the Memorandum is hereby amended by restating the second paragraph in the subsection "Reports and Meetings" in its entirety as follows:

"The Partnership will hold an annual meeting of Limited Partners and an annual meeting of the Advisory Committee each year, commencing in 2025 and continuing until the cost basis of the Partnership's remaining assets is less than 10% of the aggregate Capital Commitments."

E. Update to Appendix B. Prior Fund Performance

The Memorandum is hereby amended by replacing Appendix B therein in its entirety with Appendix B hereto.

F. Update to Appendix C. Structure of the Partnership

The Memorandum is hereby amended by replacing Appendix C therein in its entirety with Appendix C hereto.

G. Update to Appendix D. Investment Performance – Bridge Logistics Value Fund I

The Memorandum is hereby amended by replacing Appendix D therein in its entirety with Appendix D hereto.

## APPENDIX B. Prior Fund Performance

The General Partner is a newly formed entity with no track record. The following are investment results for Bridge. See Section VII — “The General Partner, the Investment Manager and Management Overview” for a more detailed description of the Investment Manager and its principals and personnel.

Please see important notes regarding these disclosures on the pages following each of the performance disclosures. For a more complete summary of the performance of these funds and investments, see the performance summaries included in the appendices to each fund’s confidential private placement memorandum. Past performance is not necessarily indicative of future results, and there can be no assurance that current or future investments will achieve comparable results or that historical deal flow levels will continue. Bridge Multifamily Fund I, Bridge Multifamily Fund II and Bridge Debt Fund I are fully realized.

Bridge Combined Funds Performance Summary as of September 30, 2024

Closed-End Funds <sup>1</sup> (Investment Period Beginning/Ending Date)	Fund Inception Date	Cumulative Num. of Fund Investments	Realized Investments	Fund Totals (Including LPs & GP)										Fee-Paying Investor Returns					
				Cumulative Committed Capital <sup>2</sup>	Since Inception Paid-in Capital <sup>3</sup>	Since Inception Distributions <sup>4</sup>	Remaining Fair Value (RV) <sup>5</sup>	Total Fair Value (TV) <sup>6</sup>	DVPI <sup>7</sup>	RVPI <sup>8</sup>	TVPI <sup>9</sup>	FC <sup>10</sup>	Levered Gross IRR <sup>11</sup>	Levered Net IRR <sup>12</sup>	Levered Multiple <sup>13</sup>	Unlevered Multiple <sup>14</sup>	Gross IRR <sup>15</sup>	Net IRR <sup>16</sup>	
Real Assets Equity Funds																			
Multifamily																			
Bridge Multifamily I (Mar '09, Mar '13)	3/31/2009	39	39	\$ 124,220,946	\$ 120,046,948	\$ 232,812,429	-	\$ 232,812,429	1.94x	0.00x	1.94x	0.97x	21.8%	15.1%	2.20x	1.76x	21.8%	15.1%	
Bridge Multifamily II (Apr '12, Apr '15)	4/3/2012	61	61	595,529,310	572,998,264	1,174,650,399	-	1,174,650,399	2.05x	0.00x	2.05x	0.96x	30.8%	23.0%	2.20x	1.84x	30.1%	22.5%	
Bridge Multifamily III (Jan '15, Jan '18)	1/7/2015	61	61	912,095,127	885,341,070	1,858,389,462	10,690,802	1,869,080,264	2.10x	0.01x	2.11x	0.97x	25.3%	18.4%	2.28x	1.89x	24.3%	17.9%	
Bridge Multifamily IV (Jan '18, Jun '21)	6/1/2018	59	5	1,589,510,000	1,528,127,057	383,228,721	2,778,528,769	2,661,757,491	0.25x	1.49x	1.74x	0.96x	18.0%	12.9%	1.51x	1.60x	17.5%	12.7%	
Bridge Multifamily V (Jul '21, to present)	7/21/2021	36	0	2,257,433,999	1,540,130,440	54,971,984	1,074,832,793	1,129,804,777	0.04x	0.70x	0.73x	0.68x	-12.9%	-18.3%	0.80x	0.73x	-12.0%	-16.7%	
Bridge MF Continuation Vehicle (Jul '23, Jul '23)	7/31/2023	6	1	201,168,023	201,168,023	-	262,093,383	262,093,383	0.00x	1.30x	1.30x	1.00x	27.5%	22.6%	1.33x	1.27x	27.5%	22.6%	
<b>Total Multifamily<sup>17</sup></b>		<b>262</b>	<b>167</b>	<b>5,679,957,405</b>	<b>4,847,846,802</b>	<b>3,704,052,995</b>	<b>3,626,145,748</b>	<b>7,330,198,743</b>	<b>0.76x</b>	<b>0.75x</b>	<b>1.51x</b>	<b>0.85x</b>	<b>22.4%</b>	<b>14.3%</b>	<b>1.65x</b>	<b>1.39x</b>	<b>21.6%</b>	<b>14.0%</b>	
Workforce and Affordable Housing																			
Bridge Workforce Housing I (Aug '17, Aug '20)	8/17/2017	28	3	619,085,000	603,778,303	153,586,691	917,090,999	1,070,677,690	0.25x	1.52x	1.77x	0.98x	16.2%	11.7%	1.96x	1.66x	16.0%	11.7%	
Bridge Workforce Housing II (Aug '20, Aug '24)	8/21/2020	48	0	1,740,747,000	1,495,822,032	89,319,305	1,553,722,737	1,443,042,042	0.06x	0.91x	0.96x	0.86x	2.5%	-1.9%	1.05x	0.96x	2.4%	-1.6%	
<b>Total Workforce and Affordable Housing<sup>18</sup></b>		<b>76</b>	<b>3</b>	<b>2,359,832,000</b>	<b>2,099,600,335</b>	<b>242,905,995</b>	<b>2,270,813,736</b>	<b>2,513,719,731</b>	<b>0.12x</b>	<b>1.08x</b>	<b>1.20x</b>	<b>0.89x</b>	<b>10.4%</b>	<b>5.7%</b>	<b>1.31x</b>	<b>1.16x</b>	<b>10.1%</b>	<b>5.7%</b>	
Single-Family Rental																			
Bridge SFR Predisector Fund I (Jan '13, Jan '15)	1/15/2013	1069	1069	50,620,000	50,620,000	166,072,646	-	166,072,646	3.28x	0.00x	3.28x	1.00x	18.1%	15.7%	3.56x	2.95x	18.1%	15.7%	
Bridge SFR Predisector Fund II (Jan '15, Jan '17)	1/29/2015	1898	1898	89,845,500	89,845,500	254,263,449	-	254,263,449	2.84x	0.00x	2.84x	1.00x	20.2%	16.5%	3.05x	2.47x	20.2%	16.5%	
Bridge SFR Predisector Fund III (Aug '19, Aug '22)	8/23/2019	437	0	34,400,000	34,400,000	-	66,517,150	66,517,150	0.00x	1.93x	1.93x	1.00x	19.1%	14.8%	2.04x	1.74x	19.1%	14.6%	
Bridge Single-Family Rental IV (Jan '22, to present)	1/21/2022	2986	0	149,545,000	147,025,143	-	193,207,195	193,207,195	0.00x	1.31x	1.31x	0.98x	16.2%	11.2%	1.43x	1.28x	13.7%	10.3%	
<b>Total Single-Family Rental<sup>19</sup></b>		<b>6190</b>	<b>2776</b>	<b>324,210,502</b>	<b>321,700,842</b>	<b>430,336,095</b>	<b>259,724,345</b>	<b>680,060,440</b>	<b>1.31x</b>	<b>0.81x</b>	<b>2.11x</b>	<b>0.99x</b>	<b>18.9%</b>	<b>15.6%</b>	<b>2.21x</b>	<b>1.94x</b>	<b>18.7%</b>	<b>15.4%</b>	
Opportunity Zone																			
Opportunity Zone I (Apr '19, Dec '19)	4/2/2019	11	0	509,361,768	562,098,276	-	468,441,038	468,441,038	0.00x	0.83x	0.83x	1.10x	-1.1%	-3.6%	0.95x	0.83x	-1.0%	-3.4%	
Opportunity Zone II (Nov '19, Jan '20)	11/1/2019	9	0	440,645,677	519,288,669	-	416,629,235	416,629,235	0.00x	0.80x	0.80x	1.18x	-2.8%	-5.1%	0.88x	0.80x	-2.8%	-5.0%	
Opportunity Zone III (May '20, Jun '21)	5/18/2020	26	0	1,034,909,533	1,087,013,307	25,000,000	1,008,672,981	1,033,672,981	0.02x	0.93x	0.95x	1.05x	0.9%	-1.3%	1.04x	0.95x	0.9%	-1.3%	
Opportunity Zone IV (Mar '21, Jun '22)	3/12/2021	21	0	1,505,238,461	1,608,186,809	-	1,509,650,490	1,509,650,490	0.00x	0.94x	0.94x	1.07x	0.3%	-2.0%	1.01x	0.94x	0.3%	-2.0%	
<b>Total Opportunity Zone<sup>20</sup></b>		<b>67</b>	<b>0</b>	<b>3,490,155,439</b>	<b>3,771,587,061</b>	<b>25,000,000</b>	<b>3,408,393,744</b>	<b>3,428,393,744</b>	<b>0.01x</b>	<b>0.90x</b>	<b>0.91x</b>	<b>1.08x</b>	<b>-0.3%</b>	<b>-2.6%</b>	<b>0.99x</b>	<b>0.91x</b>	<b>-0.3%</b>	<b>-2.5%</b>	
Office																			
Bridge Office I (Jul '17, Jul '20)	7/29/2017	33	19	572,806,803	563,262,667	75,751,643	(123,583,124)	(47,831,481)	0.13x	-0.22x	-0.08x	0.98x	***	***	0.02x	-0.09x	***	***	
Bridge Office II (Dec '19, Dec '22)	12/13/2019	9	0	207,825,000	201,933,548	22,579,127	112,467,340	135,046,466	0.11x	0.56x	0.67x	0.97x	-7.3%	-12.1%	0.79x	0.66x	-6.2%	-10.0%	
<b>Total Office<sup>21</sup></b>		<b>42</b>	<b>19</b>	<b>780,631,803</b>	<b>765,196,214</b>	<b>98,330,770</b>	<b>(11,115,785)</b>	<b>87,214,985</b>	<b>0.13x</b>	<b>-0.01x</b>	<b>0.11x</b>	<b>0.98x</b>	<b>***</b>	<b>***</b>	<b>0.20x</b>	<b>0.08x</b>	<b>***</b>	<b>***</b>	
Seniors Housing																			
Bridge Seniors I (Jan '14, Jan '18)	1/13/2014	57	32	578,376,500	550,781,142	86,194,396	328,456,645	414,641,041	0.16x	0.60x	0.75x	0.95x	-0.5%	-3.8%	0.96x	0.75x	-0.5%	-3.6%	
Bridge Seniors II (Mar '17, Mar '20)	3/24/2017	54	20	820,493,000	761,683,854	166,340,552	573,471,711	739,812,263	0.22x	0.75x	0.97x	0.93x	2.7%	-0.6%	1.14x	0.97x	2.6%	-0.5%	
Bridge Seniors III (Nov '20, to present)	11/29/2020	3	0	47,700,000	36,964,479	2,481,660	4,142,908	43,908,568	0.07x	1.12x	1.19x	0.77x	13.2%	5.9%	1.47x	1.17x	12.7%	5.8%	
<b>Total Seniors Housing<sup>22</sup></b>		<b>114</b>	<b>52</b>	<b>1,446,569,500</b>	<b>1,349,431,474</b>	<b>255,006,608</b>	<b>943,355,264</b>	<b>1,198,361,872</b>	<b>0.19x</b>	<b>0.70x</b>	<b>0.89x</b>	<b>0.93x</b>	<b>1.2%</b>	<b>-2.1%</b>	<b>1.07x</b>	<b>0.88x</b>	<b>1.2%</b>	<b>-1.9%</b>	
Logistics Value																			
Bridge Logistics Value I (Nov '21, to present)	11/24/2021	32	0	335,920,000	321,956,493	-	306,848,369	306,848,369	0.00x	0.95x	0.95x	0.96x	0.6%	-2.3%	1.01x	0.95x	0.5%	-0.6%	
Bridge Logistics Value II (May '23, to present)	5/22/2023	30	0	346,640,000	135,000,000	-	136,963,347	136,963,347	0.00x	1.01x	1.01x	0.92x	8.7%	3.0%	1.04x	1.01x	6.7%	4.7%	
<b>Total Logistics Value<sup>23</sup></b>		<b>42</b>	<b>0</b>	<b>482,560,000</b>	<b>456,956,493</b>	<b>-</b>	<b>443,811,716</b>	<b>443,811,716</b>	<b>0.00x</b>	<b>0.97x</b>	<b>0.97x</b>	<b>0.95x</b>	<b>1.4%</b>	<b>-1.8%</b>	<b>1.02x</b>	<b>0.97x</b>	<b>1.1%</b>	<b>-0.1%</b>	
Private Equity Funds																			
Needbary Equity Partners I (Sep '06, Mar '13)	9/18/2006	145	85	701,888,000	701,888,000	1,021,618,189	17,563,452	1,039,181,641	1.46x	0.03x	1.48x	1.00x	11.9%	8.2%	1.70x	1.43x	11.8%	8.1%	
Needbary Equity Partners II (Oct '09, Oct '15)	10/29/2009	149	96	1,024,075,000	983,112,000	1,518,950,595	86,860,742	1,615,791,337	1.56x	0.09x	1.64x	0.96x	20.9%	14.9%	1.88x	1.56x	20.8%	14.8%	
Needbary Equity Partners III (Jul '13, Mar '19)	7/19/2013	154	59	1,102,900,000	1,079,960,000	1,336,678,308	409,948,016	1,746,626,324	1.24x	0.38x	1.62x	0.98x	19.8%	14.2%	1.86x	1.54x	16.7%	12.5%	
Needbary Equity Partners IV (May '17, Feb '23)	5/1/2017	165	33	1,446,600,000	1,215,144,000	839,237,665	1,325,284,811	1,254,522,376	0.88x	1.09x	1.77x	0.84x	21.1%	15.3%	2.07x	1.67x	16.8%	13.1%	
Needbary Equity Partners V (Nov '19, to present)	11/8/2019	185	2	2,000,000,000	1,540,000,000	275,059,060	1,739,202,682	2,014,261,742	0.18x	1.13x	1.31x	0.77x	19.6%	12.0%	1.46x	1.27x	14.7%	10.0%	
<b>Total Private Equity Funds<sup>24</sup></b>		<b>798</b>	<b>275</b>	<b>6,274,563,000</b>	<b>5,520,104,000</b>	<b>4,991,523,617</b>	<b>3,578,859,709</b>	<b>6,570,383,320</b>	<b>0.90x</b>	<b>0.65x</b>	<b>1.55x</b>	<b>0.88x</b>	<b>17.2%</b>	<b>12.4%</b>	<b>1.77x</b>	<b>1.48x</b>	<b>15.8%</b>	<b>11.6%</b>	
Debt Strategies Funds																			
Bridge Debt I (Sep '14, Sep '17)	9/17/2014	22	22	131,615,596	127,649,800	156,230,702	-	156,230,702	1.22x	0.00x	1.22x	0.97x	10.4%	5.9%	1.38x	1.20x	10.4%	5.9%	
Bridge Debt II (Jul '16, Jul '19)	7/14/2016	147	139	1,002,000,539	990,841,135	1,122,812,355	201,133,368	1,323,945,723	1.13x	0.20x	1.34x	0.99x	10.1%	7.5%	1.44x	1.32x	10.0%	7.4%	
Bridge Debt III (May '18, May '21)	5/25/2018	334	284	1,623,605,000	1,542,424,750	1,231,360,814	909,861,408	2,141,222,222	0.80x	0.59x	1.39x	0.95x	12.0%	8.9%	1.50x	1.36x	11.8%	8.8%	
Bridge Debt IV (Nov '20, to present)	11/23/2020	359	233	2,888,097,000	2,801,454,090	582,652,366	2,923,455,825	3,506,108,191	0.21x	1.04x	1.25x	0.97x	12.4%	9.3%	1.30x	1.23x	11.5%	8.8%	
Bridge Debt V (Nov '23, to present)	11/21/2023	7	0	483,297,625	318,976,433	1,983,576	328,772,536	330,256,112	0.01x	1.03x	1.04x	0.66x	14.9%	9.8%	1.05x	1.03x	14.9%	9.8%	
<b>Total Debt Strategies Funds<sup>25</sup></b>		<b>869</b>	<b>678</b>	<b>6,128,615,760</b>	<b>5,781,946,208</b>	<b>3,095,039,813</b>	<b>4,362,729,137</b>	<b>7,457,762,950</b>	<b>0.54x</b>	<b>0.75x</b>	<b>1.29x</b>	<b>0.94x</b>	<b>11.5%</b>	<b>8.6%</b>	<b>1.36x</b>	<b>1.27x</b>	<b>11.2%</b>	<b>8.4%</b>	

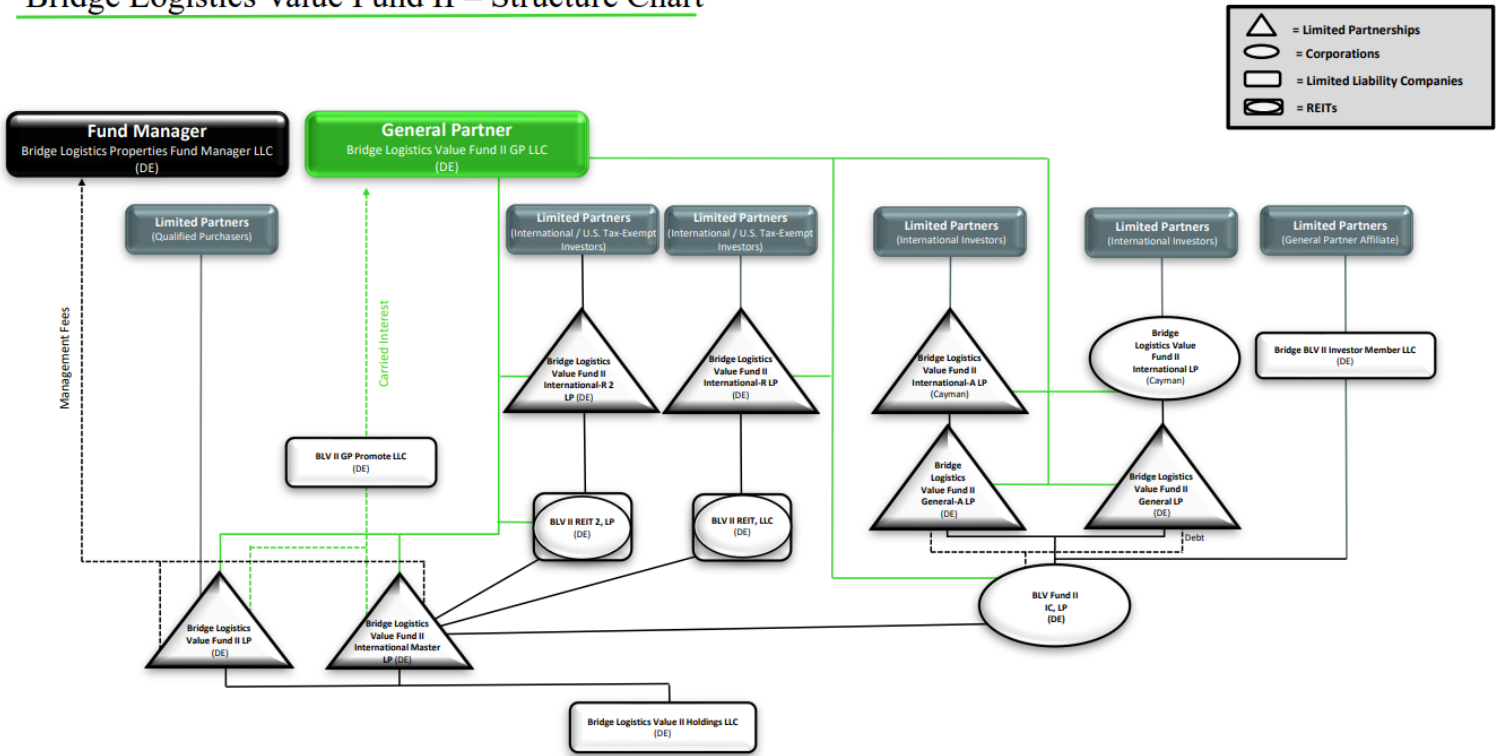
Bridge Combined Funds Performance Summary as of September 30, 2024

Footnotes:

- \* Other than the Levered Net IRR and Unlevered Net IRR numbers presented herein, the information included here is different from that which is presented in public filings due to fund level expenses, reserves and reinvested capital.
1. Closed-End Funds represented herein does not include performance for (i) certain Opportunity Zone Funds with investments which have not been marked to market, or (ii) open-ended funds. Each Fund disclosed underrepresents all associated parallel and feeder limited partnerships in which investors subscribe and accordingly share common management. All intercompany accounts and transactions have been eliminated in the combined presentation. Values and performance presented herein are the combined investor returns gross of any applicable legal entity taxes. No performance presented herein has been reviewed or approved by the United States Securities and Exchange Commission.
2. Cumulative Committed Capital represents total capital commitments to the fund (including joint ventures or separately managed accounts).
3. Since Inception Paid in Capital represents the total contributions or drawn down commitments from all investors since inception. This figure will differ from Cumulative Investment Invested Capital which is otherwise defined as total cost of investments since inception (including any recycling or refinancing of investments).
4. Since Inception Distributions represents net cash proceeds distributed to all investors, including current income (net of expenses) and disposition proceeds/gross of carried interest.
5. Remaining Fair Value (RFV) is the estimated liquidation value to all investors, which includes investment values that are generally based upon appraisals, contracts and internal estimates. There can be no assurance that Remaining Fair Value will be realized at valuations shown, and realized values will depend on numerous factors including, among others, future asset-level operating results, asset values and market conditions at the time of disposition, transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the Remaining Fair Value are based. Direct fund investments in real property are held at cost minus transaction expenses for the first six months.
6. Total Fair Value (TFV) represents the sum of Since Inception Distributions and Remaining Fair Value.
7. Distributed Value to Paid in (DVPI) Multiple represents Since Inception Distributions divided by Since Inception Paid in Capital/gross of carried interest.
8. Residual Value to Paid in (RVPI) Multiple represents Remaining Fair Value divided by Since Inception Paid in Capital/gross of carried interest.
9. Total Value to Paid in (TVPI) Multiple represents Total Fair Value divided by Since Inception Paid in Capital/gross of carried interest.
10. Paid in to Commitment (PIC) Multiple represents Since Inception Paid in Capital divided by Cumulative Committed Capital.
11. Levered Gross IRR is an annualized realized and unrealized fund-level internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions) and cash outflows (distributions) and the remaining fair value, gross of fund level expenses, management fees, and carried interest. Because IRRs are time-weighted calculations, for funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.
12. Unlevered Net IRR is an annualized realized and unrealized internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions) and cash outflows (distributions) and the remaining fair value, net of the investors' actual management fees, fund level expenses, and carried interest. Net return information reflects aggregated fund-level returns for fee-paying investors using actual management fees paid by the fund. The actual management fee rates from individual investors will be higher and lower than the actual aggregate fund level rate. This return may differ from actual investor level returns due to timing, variance in fees paid by investors, and other investor-specific investment costs such as taxes. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.
13. Gross Levered Multiple is the fee-paying investors total fair value divided by the fee-paying investors since inception paid in capital/gross of fund level expenses, management fees, and carried interest.
14. Net Levered Multiple is the fee-paying investors total fair value divided by the fee-paying investors since inception paid in capital/net of management fees, fund level expenses and carried interest.
15. Unlevered Gross IRR is an annualized realized and unrealized fund-level internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions and drawdowns on fund lines of credit) and cash outflows (distributions and repayments on fund lines of credit) and the remaining fair value (after removing outstanding balances on fund lines of credit), gross of fund level expenses, management fees, and carried interest. Because IRRs are time-weighted calculations, for funds with short measurement periods, this IRR may be amplified by early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.
16. Unlevered Net IRR is an annualized realized and unrealized internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions and drawdowns on fund lines of credit) and cash outflows (distributions and repayments on fund lines of credit) and the remaining fair value (after removing outstanding balances on fund lines of credit), net of the investors' actual management fees, fund level expenses, and carried interest. Net return information reflects aggregated fund-level returns for fee-paying investors using actual management fees paid by the fund. The actual management fee rates from individual investors will be higher and lower than the actual aggregate fund level rate. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, this IRR may be amplified by early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.
17. The management fee used in calculation of these net returns was 1.62%, while investors in the underlying funds paid management fees ranging from 0.85% to 2.50%.
18. The management fee used in calculation of these net returns was 1.62%, while investors in the underlying funds paid management fees ranging from 1.15% to 2.50%.
19. The management fee used in calculation of these net returns was 1.68%, while investors in the underlying funds paid management fees ranging from 1.00% to 2.50%.
20. The management fee used in calculation of these net returns was 1.88%, while investors in the underlying funds paid management fees ranging from 1.00% to 2.00%.
21. The management fee used in calculation of these net returns was 1.78%, while investors in the underlying funds paid management fees ranging from 1.25% to 2.50%.
22. The management fee used in calculation of these net returns was 1.79%, while investors in the underlying funds paid management fees ranging from 1.00% to 2.50%.
23. The management fee used in calculation of these net returns was 0.74%, while investors in the underlying funds paid management fees ranging from 0.50% to 2.50%.
24. The management fee used in calculation of these net returns was 1.02%, while investors in the underlying funds paid management fees ranging from 0.54% to 1.50%.
25. The management fee used in calculation of these net returns for debt strategies funds was 1.34% on committed capital and 0.83% on invested capital, while investors in the underlying funds paid management fees ranging from 0.60% to 1.50%.
- \*\*\* Indicates a negative return that results in an IRR that is incalculable. The returns for Total Office Funds are not presented because Bridge Office I is incalculable.
- Any composite returns presented herein do not represent actual returns received by any one investor and are for illustrative purposes only. Composite performance is based on actual cash flows of the funds within a strategy over the applicable timeframes and are prepared using certain assumptions. Each fund has varied investment periods and investments were made during different market environments, past performance of prior funds within a strategy is not a guarantee of future results. Fund investors generally pay fees based on a defined percentage of total commitments during the investment period and invested capital thereafter, but some fund investors may pay fees based on invested capital for the life of the fund according to the applicable governing documents. Additional information on the calculation of this composite performance, including applicable assumptions and supporting data, can be made available promptly upon request.



## Bridge Logistics Value Fund II – Structure Chart



\* Bridge BLV II Investor Member LLC will be contributing 1% of equity in BLV Fund II IC, LP

## APPENDIX D. Investment Performance – Bridge Logistics Value Fund I

**BRIDGE  
INVESTMENT  
GROUP**

**Logistics US Venture I  
Fund**

### Current Combined Funds Performance Summary

November 24, 2021 through September 30, 2024

Investment	Location	Valuation Method <sup>1</sup>	Date Acquired	Date Sold	Return Multiple <sup>2</sup>	Net Return Multiple <sup>3</sup>	IRR <sup>4</sup>	Regulatory Net IRR <sup>5</sup>	Total Equity Investment	Investment at Cost	Realized Proceeds <sup>6</sup>	Remaining Fair Value <sup>7</sup>	Total Fair Value <sup>8</sup>	Total Gain/(Loss) <sup>9</sup>
Logistics Investments														
10808 6th Street	Rancho Cucamonga, CA	D	Nov-21	—	7.34x	7.27x	20.9%	20.7%	2,142,717	2,142,717	—	15,722,499	15,722,499	13,579,782
130 Constitution Blvd	Franklin, MA	D	Dec-21	—	2.44x	2.37x	27.3%	26.4%	2,986,683	2,986,683	—	7,280,505	7,280,505	4,293,622
4525 Airline Dr	Houston, TX	D	Dec-21	—	0.11x	0.05x	-32.9%	-37.2%	1,337,713	1,337,713	—	145,991	145,991	(1,191,722)
12400 Industry St	Garden Grove, CA	D	Dec-21	—	2.17x	2.11x	22.9%	21.9%	4,771,271	4,771,271	—	10,356,994	10,356,994	5,585,723
22604 58th Place S	Kent, WA	D	Dec-21	—	1.14x	1.08x	3.7%	2.0%	1,077,910	1,077,910	—	1,232,429	1,232,429	154,519
10623 Fulton Wells Avenue	Santa Fe Springs, CA	D	Dec-21	—	0.80x	0.74x	-6.9%	-9.4%	11,288,925	11,288,925	—	9,048,568	9,048,568	(2,240,357)
10701 NW 107th Court	Medley, FL	D	Jan-22	—	1.60x	1.53x	15.3%	13.9%	1,146,444	1,146,444	—	1,830,014	1,830,014	683,570
301 Hollywood Ave	South Plainfield, NJ	D	Jan-22	—	1.47x	1.41x	12.1%	10.6%	1,983,224	1,983,224	—	2,917,417	2,917,417	934,193
1471 West Hillisboro Blvd	Deerfield Beach, FL	D	Jan-22	—	0.91x	0.84x	-3.1%	-5.3%	5,612,570	5,612,570	—	5,082,629	5,082,629	(529,941)
Patterson Avenue	Perris, CA	F	Feb-22	—	0.94x	0.88x	-2.4%	-5.1%	8,601,844	8,601,844	—	8,085,055	8,085,055	(516,789)
10629 Norwalk Blvd	Santa Fe Springs, CA	D	Mar-22	—	0.83x	0.77x	-6.4%	-9.1%	11,445,687	11,445,687	—	9,531,303	9,531,303	(1,914,384)
250 Circle Drive N	Piscataway, NJ	D	Mar-22	—	0.96x	0.90x	-1.3%	-3.9%	7,345,756	7,345,756	—	7,085,838	7,085,838	(259,918)
2851 Evans Street	Hollywood, FL	D	Apr-22	—	1.11x	1.05x	5.3%	2.3%	2,675,408	2,675,408	—	2,979,174	2,979,174	303,766
355 Crooked Hill Road	Brentwood, NY	D	May-22	—	-0.22x	-0.28x	***	***	6,169,160	6,169,160	—	(1,351,069)	(1,351,069)	(7,520,229)
2650 South Willow Avenue	Bloomington, CA	D	May-22	—	1.30x	1.23x	8.6%	6.8%	35,589,954	35,589,954	—	46,130,259	46,130,259	10,540,305
5 Park Drive	Melville, NY	D	May-22	—	0.48x	0.42x	-25.3%	-29.6%	6,334,951	6,334,951	—	3,065,044	3,065,044	(3,269,907)
1910 E Dominguez Street	Carson, CA	D	May-22	—	1.08x	1.02x	2.4%	0.4%	5,128,443	5,128,443	—	5,531,989	5,531,989	403,546
22360 Goldencrest Drive	Moreno Valley, CA	D	Jun-22	—	0.72x	0.66x	-11.2%	-14.1%	16,605,126	16,605,126	—	12,006,666	12,006,666	(4,598,460)
1525 and 1607 45th St E	Sumner, WA	D	Jun-22	—	0.75x	0.69x	-13.0%	-16.8%	4,892,440	4,892,440	—	3,687,984	3,687,984	(1,204,456)
3301 & 3351 Tremley Point Road	Linden, NJ	D	Jul-22	—	0.54x	0.48x	-25.0%	-29.4%	44,202,232	44,202,232	—	23,937,337	23,937,337	(20,264,895)
8201 NW 56th Street	Miami, FL	D	Aug-22	—	1.48x	1.42x	16.3%	14.3%	2,617,716	2,617,716	—	3,877,394	3,877,394	1,259,678
GSW Parkway	Grand Prairie, TX	F	Aug-22	—	0.96x	0.90x	-2.7%	-7.3%	21,171,411	21,171,411	—	20,319,566	20,319,566	(851,845)
804 W Shady Grove Road	Grand Prairie, TX	D	Sep-22	—	0.60x	0.54x	-19.6%	-23.4%	16,387,388	16,387,388	—	9,819,184	9,819,184	(6,568,204)
299 Beltway Green Blvd	Pasadena, TX	D	Oct-22	—	1.11x	1.04x	4.4%	1.7%	7,976,472	7,976,472	—	8,827,639	8,827,639	851,167
26601-26609 79th Avenue South	Kent, WA	D	Oct-22	—	1.14x	1.08x	5.9%	3.3%	4,839,356	4,839,356	—	5,537,211	5,537,211	697,855
13984 Orange Ave	Paramount, CA	D	Nov-22	—	0.87x	0.81x	-6.6%	-10.0%	8,857,857	8,857,857	—	7,687,328	7,687,328	(1,170,529)
3200 Earhart Drive	Carrollton, TX	D	Dec-22	—	1.44x	1.38x	18.5%	16.0%	3,659,051	3,659,051	—	5,277,971	5,277,971	1,618,920
290 SW 14th Avenue	Pompano Beach, FL	D	Feb-23	—	1.02x	0.96x	1.0%	-2.6%	2,591,877	2,591,877	—	2,638,601	2,638,601	46,724
280 E. Corporate Drive	Lewisville, TX	D	Feb-23	—	1.12x	1.05x	6.8%	3.1%	11,571,657	11,571,657	—	12,922,109	12,922,109	1,350,452
5 Plant Road	Hasbrouck Heights, NJ	D	Apr-23	—	1.48x	1.42x	31.2%	27.2%	25,008,869	25,008,869	—	36,976,603	36,976,603	11,967,734
4422 Supply Court	Austin, TX	D	Jul-23	—	0.95x	0.90x	-3.3%	-8.5%	7,737,542	7,737,542	—	7,426,641	7,426,641	(310,901)
1215 W Walnut	Compton, CA	D	Dec-23	—	1.14x	1.08x	13.3%	7.2%	14,354,920	14,354,920	—	16,373,956	16,373,956	2,019,036
<b>Total Logistics Investments</b>					<b>1.01x</b>	<b>NM<sup>10</sup></b>	<b>0.5%</b>	<b>NM<sup>11</sup></b>	<b>308,112,774</b>	<b>308,112,774</b>	<b>—</b>	<b>311,990,829</b>	<b>311,990,829</b>	<b>3,878,055</b>
<b>Fund Return Summary (Since Inception)</b>														
		Gross Current Income Yield <sup>12</sup>	Net Current Income Yield <sup>13</sup>	DVPI <sup>11</sup>	RVPI <sup>12</sup>	TVPI <sup>13</sup>	PIIC <sup>14</sup>		Paid in Capital <sup>15</sup>	Unreturned Capital	Distributions <sup>16</sup>	Remaining Fair Value <sup>17</sup>	Total Fair Value <sup>18</sup>	Net Results From Operations
		<b>N/A</b>	<b>N/A</b>	<b>0.00x</b>	<b>0.95x</b>	<b>0.95x</b>	<b>0.96x</b>		<b>321,956,493</b>	<b>321,956,493</b>	<b>—</b>	<b>306,848,369</b>	<b>306,848,369</b>	<b>(15,108,124)</b>
<b>Highest Fee-Paying Investor Return Summary<sup>19</sup></b> (management fee rate: 0.85%) <sup>20</sup>														
		Levered Gross of Fees & Expenses	Unlevered Gross of Fees & Expenses	Levered Gross of Fees	Unlevered Gross of Fees	Levered Gross of Carry	Unlevered Gross of Carry	Levered Net	Unlevered Net					
		<b>0.5%</b>	<b>0.4%</b>	<b>-1.4%</b>	<b>0.1%</b>	<b>-2.3%</b>	<b>-0.7%</b>	<b>-2.3%</b>	<b>-0.7%</b>					
<b>Fee-Paying Investor Return Summary<sup>19</sup></b> (management fee rate: 0.85% on invested capital) <sup>20</sup>														
		Levered Gross of Fees & Expenses	Unlevered Gross of Fees & Expenses	Levered Gross of Fees	Unlevered Gross of Fees	Levered Gross of Carry	Unlevered Gross of Carry	Levered Net	Unlevered Net					
		<b>0.6%</b>	<b>0.5%</b>	<b>-1.3%</b>	<b>0.2%</b>	<b>-2.3%</b>	<b>-0.6%</b>	<b>-2.3%</b>	<b>-0.6%</b>					

#### Report Specific Notes:

\* This report summarizes the investment performance for the Bridge Logistics US Venture I LP (referred to in this report as the "Logistics US Venture I Fund") with commitments totaling \$335,920,000.

(Continued on next page)

## Current Combined Funds Performance Summary

November 24, 2021 through September 30, 2024

## General Notes:

Individual investor returns may vary due to different management fee rates, timing of investor subscriptions, contributions and distributions, and any entity level taxes specific to certain vehicles. Past performance is not necessarily indicative of future results, and there can be no assurance that any fund will achieve comparable results to any performance data provided. Investors may lose invested capital.

- 1 See Valuation Method Key (to the right).
- 2 Return Multiple is Total Fair Value divided by Total Equity Investment. These are investment-level calculations and are gross of fund-level fees and expenses.
- 3 Internal Rate of Return (IRR) calculations are based on actual daily cash flows plus Remaining Fair Values. For certain investments, Bridge believes that, due to the short measurement period, IRR for this period are Not Meaningful (or "NM"). IRR's which cannot be calculated using the xIRR function are denoted with a ("\*\*\*\*"). In these instances, the Return Multiple can be referenced for investment performance. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized representing such period's return. These IRR calculations are investment-level returns and are gross of fund-level fees and expenses, including but not limited to management fees, carried interest, fund-level taxes or other fund-level expenses and transaction costs, which could be material and would reduce such returns. Please see the Fee-Paying Investor Return Summary (IRRs) for IRR calculations that reflect fund-level fees and expenses.
- 4 Regulatory Net IRR and Net Return Multiple are estimates and are intended to satisfy the requirements of the SEC's marketing rule by presenting a deal level net return even though fund level expenses are generally not specifically allocated to deals. To calculate these deal level metrics, fund-level expenses are allocated to each investment at the discretion of Bridge. The actual fund level total net returns can be found in the Fund Return Summary section and Fee-Paying Investor Return Summary section.
- 5 Realized Proceeds represent net cash proceeds received from investments.
- 6 Remaining Fair Value represents estimations of fair value including assets and liabilities as of the date of this report in accordance with applicable valuation policies. There can be no assurance that investments with remaining fair value will be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition. Consistent with Bridge's valuation policy, fund investments in real property are generally held at cost minus transaction expenses for the first six months unless market conditions suggest there has been a material change in fair value.
- 7 Total Fair Value (Investments) represents the sum of Realized Proceeds and Remaining Fair Value.
- 8 Total Gain/(Loss) represents Total Fair Value minus Total Equity Investment.
- 9 Gross Current Income Yield represents since inception current income distributions divided by since inception Paid-In Capital (time weighted and annualized) gross of fees, expenses, and carried interest.
- 10 Net Current Income Yield represents since inception current income distributions divided by since inception Paid-In Capital (time weighted and annualized) net of fees, expenses, and carried interest.
- 11 Distributed Value to Paid-In (DVPI) Multiple represents Distributions divided by Paid-In Capital gross of carried interest.
- 12 Residual Value to Paid-In (RVPI) Multiple represents Remaining Fair Value divided by Paid-In Capital gross of carried interest.
- 13 Total Value to Paid-In (TVPI) Multiple represents Total Fair Value divided by Paid-In Capital gross of carried interest.
- 14 Paid-In to Commitment (PIC) Multiple represents Paid-In Capital divided by Total Commitments. Total Commitments are disclosed in the Report Specific Notes section of this Combined Funds Performance Summary.
- 15 Paid-In Capital represents the total contributions from all investors since inception. This figure will differ from Total Equity Investment which represents the total cost of investments since inception (including any recycling or refinancing of investments).
- 16 Distributions represent since inception net cash proceeds distributed to all investors.
- 17 Remaining Fair Value represents the Net Asset Value (Partners' Capital balance) for all investors as of the reporting date.
- 18 Total Fair Value (fund-level) represents the sum of Distributions and Net Asset Value.
- 19 The Highest Fee-Paying Investor Returns represent a single investor paying the highest fee terms in the fund. The Fee-Paying Investor Returns are fund-level returns computed using actual fees paid by all fee-paying fund investors. The Fee-Paying Investor Returns are computed from inception and the Highest Fee-Paying Investor Returns are computed from the date of the investor's first contribution. Highest Fee-Paying Investor Returns are annualized realized and unrealized internal rates of return. Both returns are based on the effective dates of cash inflows, cash outflows, and the Net Asset Value.  
For levered returns, cash inflows represent capital contributions and cash outflows represent distributions. For unlevered returns, cash inflows represent capital contributions and drawdowns on fund lines of credit and cash outflows represent distributions and repayments on fund lines of credit (all amounts for the unlevered returns, including the Net Asset Value, are gross of fund level leverage expenses).  
The Gross of Fees & Expenses returns are gross of fund level expenses, management fees, and carried interest. The Gross of Fees returns are net of fund level expenses and gross of management fees and carried interest. The Gross of Carry returns are net of fund level expenses and actual management fees and gross of carried interest. The Net returns are net of fund level expenses, actual management fees, and carried interest.  
These returns may differ from actual investor level returns due to timing, variance in fees paid by investors, and other investor-specific investment costs such as taxes. In funds with negative rates of return, the proportion of cash flows used for each date for the IRR calculations (related to investor rebalances) in the Highest Fee-Paying Investor Returns and the Fee-Paying Investor Returns may result in the Highest Fee-Paying Investor Returns being higher than the Fee-Paying Investor Returns. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.
- 20 The management fee rate as determined by Bridge, used in the calculations for the resulting IRRs. The actual management fee rates for individual investors may be higher or lower than the aggregate fund level rates.

The investment performance information set forth above is presented solely for illustrative purposes and is not intended to predict or guarantee the investment performance of any fund or any other investment program. Additional information on the calculation of this performance information can be made available promptly upon request. No performance information contained herein has been reviewed or approved by the U.S. Securities and Exchange Commission or any other regulatory body.

## Valuation Method Key:

- A "Realized" - Investment has been sold. Any Remaining Fair Value shown represents net assets held for unidentified liabilities and/or undistributed proceeds.
- B "Under Contract" - Investment is under contract to be sold. Value represents net present value of contracted price less estimated transaction costs. These transactions are subject to various contingencies and there can be no assurance that they will be consummated at the contracted price.
- C "Third-Party" - Value from recent third-party valuation source.
- D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
- E "UPB" - Unpaid loan balance including principal and accrued interest.
- F "Cost" - Acquisition basis net of transaction costs.
- G "Estimate" - Internal management estimate.
- H "Unrealized Value" - The aggregate value of the portfolio of underlying investments. Each underlying investment may use one of the above valuation methodologies to approximate fair value, as determined by the valuation committee.

## APPENDIX E. The Partnership's Assets and Pending Acquisitions<sup>1</sup>

Name/Address	Market	Deal Type	SF*	Total Investment	Projected Equity
<b>Closed</b>					
1200 Valwood Pkwy	Dallas-Fort Worth	Heavy Value Add	30,328	\$7,044,893	\$3,817,185
6321 E. Stassney Ln (Expo I)	Austin	Light Value Add	72,000	\$17,701,667	\$5,241,011
336 East D Street, Wilmington	Los Angeles	Light Value Add	38,038	\$7,549,459	\$2,823,497
37580 Filbert St	East Bay	Light Value Add	84,482	\$16,199,927	\$5,050,833
3201 NW 116th St, Gragny	S FL – Miami / Dade	Light Value Add	77,487	\$14,094,336	\$7,371,614
7748 S 200th St	Seattle	Light Value Add	38,954	\$8,687,158	\$4,053,300
Promontory Point	Austin	Light Value Add	180,829	\$41,617,415	\$16,852,415
485 Elizabeth Avenue	Northern New Jersey	Development	76,230	\$20,608,494	\$10,305,000
Transwest Industrial Park	Atlanta	Light Value Add	415,103	\$46,607,403	\$18,866,651
7400 Jack Newell Blvd S	Dallas-Fort Worth	Light Value Add	79,800	\$10,392,011	\$4,851,470
4542 Dunham	Los Angeles	Development	127,030	\$42,523,899	\$21,772,298
333 N Henry St, Brooklyn	NY – Brooklyn	Light Value Add	61,765	\$35,857,863	\$14,719,326
2465 Golden Bear Court (Frito-Lay Redevelopment)	Dallas-Fort Worth	Development	240,000	\$46,808,922	\$18,723,569
<b>Subtotal - Closed</b>			<b>1,522,046</b>	<b>\$315,693,447</b>	<b>\$134,448,169</b>
<b>Approved</b>					
222 Morgan Ave, Brooklyn	NY – Brooklyn	Light Value Add	322,810	\$131,002,832	\$57,106,220
<b>Subtotal - Approved</b>			<b>322,810</b>	<b>\$131,002,832</b>	<b>\$57,106,220</b>
<b>Total</b>			<b>1,844,856</b>	<b>\$446,696,279</b>	<b>\$191,554,389</b>

\*336 East D St. & 222 Morgan Ave SF represents the total land size.

\*\*Deals that are approved are either subject to executed term sheets or have progressed pursuant to significant negotiations.

<sup>1</sup> No assurance can be given that the Partnership will complete any pending investments on the terms set forth above or at all. Any number of events, many of which are outside of the control of the Partnership and the General Partner, may impact the completion of the investments and the equity and/or debt required to do so. The General Partner may be unsuccessful in identifying similar investment opportunities for the Partnership, and the Partnership may make investments with different characteristics in accordance with the Partnership's investment guidelines. Financial projections, including any required equity and/or debt, for any owned or pending investments are projections only based on assumptions that the Investment Manager and the General Partner deem reasonable in light of their experience and judgment at the time. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections, including additional required equity and/or debt beyond the projections set forth above. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections. Many other factors that are outside of the control of the General Partner and the Investment Manager may adversely and materially affect actual results.

**BRIDGE LOGISTICS VALUE FUND II LP**

a Delaware limited partnership

**\$1,000,000,000**

of

**LIMITED PARTNERSHIP INTERESTS**

**June 2023**

*Confidential Amended and Restated Private Placement Memorandum*

## CONFIDENTIAL AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM

### BRIDGE LOGISTICS VALUE FUND II LP

\$1,000,000,000  
of  
LIMITED PARTNERSHIP INTERESTS

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This confidential amended and restated private placement memorandum (as it may be amended, supplemented or modified from time to time, the “Memorandum”) is being furnished on a confidential basis by Bridge Logistics Value Fund II GP LLC (the “General Partner”) to a limited number of sophisticated prospective investors in connection with their evaluation of a proposed investment in Bridge Logistics Value Fund II LP (together with any parallel funds formed to co-invest therewith, the “Partnership,” “Bridge Logistics Value II” or the “Fund”).

Each person or entity who invests in the Partnership will acquire limited partnership interests (“Interests”) in, and will become a limited partner (a “Limited Partner”) of, the Partnership. Capitalized terms used throughout this Memorandum have the meanings assigned to such terms in Section VIII — “Detailed Summary of Terms” or are as otherwise defined in this Memorandum or in the Partnership Agreement (as defined below).

The Partnership seeks to achieve risk-adjusted returns and preserve investor capital by investing in a diversified portfolio of infill-focused logistics investments, including value-add acquisitions and ground-up development opportunities. The Partnership will target logistics investments in Global Gateway Markets, with additional exposure to Prime Growth Markets and Logistics Infrastructure Markets located throughout the United States.<sup>1</sup>

In November 2021, Bridge Logistics US Venture I LP (together with its parallel vehicles, “Bridge Logistics Value Fund I”) had its first closing for an aggregate of approximately \$210 million of capital commitments (with investor options to increase such commitments up to \$400 million). As of June 2023, Bridge Logistics Value Fund I had \$765 million of gross assets closed or under contract. In May 2023, Bridge Logistics US Venture II LP (together with its parallel vehicles, “Bridge Logistics US Venture II” or the “Seed Vehicle”) had its first closing for an aggregate of approximately \$141 million of capital commitments (with investor options to increase such commitments up to \$200 million). As of June 2023, Bridge Logistics US Venture II had \$43 million of gross assets closed or under contract and the Investment Manager had \$805 million of equity commitments closed or under contract representing 8.4 million square feet at full build-out, the majority of which have been in Global Gateway markets (Dallas, Southern Florida, Southern California and North New Jersey/New York).

The General Partner is seeking aggregate capital commitments to the Partnership (“Capital Commitments”) for up to \$1 billion in Interests from investors seeking to be admitted as Limited Partners; *provided, however*, that the General Partner may accept capital commitments in excess of \$1 billion in the aggregate in its sole discretion up to \$1.5 billion (the “Cap Amount”); *provided further* that the General Partner may accept capital commitments in excess of the Cap Amount with the prior consent of the Partnership’s advisory committee (the “Advisory Committee”).

The General Partner will make all investment decisions on behalf of the Partnership and has engaged Bridge Logistics Properties Fund Manager LLC, a Delaware limited liability company (the “Investment Manager”), to serve as the investment manager of the Partnership and to recommend investment opportunities to the Partnership. The General Partner and the Investment Manager are affiliates of Bridge Investment Group Holdings LLC (“Bridge”), which, together with its managed funds, and investment-adviser and other affiliates, as of March 31, 2023, has approximately

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<sup>1</sup> Global Gateway Markets are critical global trade hubs that hold 41.5% of total U.S. inventory and 21.2% of total U.S. population with significant demand for infill logistics and last-mile delivery. Prime Growth Markets are U.S. growth markets differentiated by increasing demand due to rapidly expanding employment sectors and high rates of in-migration. Logistics Infrastructure Markets are key domestic distribution nodes that are critical for servicing large regional population centers due to their strategic location and infrastructure.

\$48.8 billion<sup>2</sup> in assets under management and a nationwide team of approximately 2,225 employees<sup>3</sup> across more than 30 U.S. states.

The Interests are being offered privately and have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state or country in reliance on exemptions from the registration requirements of such laws. There is no public market for the Interests, and the Interests are subject to significant restrictions on transfer. Each purchaser of the Interests offered hereunder must be an “accredited investor” as such term is defined in Regulation D promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act and a “qualified purchaser” as such term is defined under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”). Neither the SEC nor any other federal, state or foreign securities commission or similar authority has approved or disapproved of these securities or determined whether this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

An investment in the Interests involves significant risk. Investors should have the financial ability and willingness to accept the risks and conflicts of interest that are characteristic of the investments described in this Memorandum. See Section IX – “Risk Factors and Conflicts of Interest.”

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*Inquiries should be directed to:*

Bridge Logistics Value Fund II GP LLC  
c/o Bridge Investor Relations  
Phone: +1 (877) 866-4540  
Email: investorrelations@bridgeig.com

*This Memorandum is dated June 2023.*

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<sup>2</sup> Estimated assets under management includes joint venture commitments.

<sup>3</sup> Plus approximately 3,000 professionals employed through a professional employment organization at sites managed by Bridge Senior Living.

## CERTAIN NOTICES TO INVESTORS

The Interests offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

**Investment in the Partnership involves a high degree of risk (including the possible loss of a substantial part, or even the entire amount, of an investment) and conflicts of interest that prospective investors should carefully consider before purchasing the Interests. There can be no assurance that the Partnership's investment objectives will be achieved, that projected or targeted returns will be met or that investors will receive a complete (or any) return of their capital. In addition, investment results may vary substantially on a monthly, quarterly or annual basis. Investment in the Partnership is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Partnership. Investors should pay particular attention to the information under the caption Section IX – "Risk Factors and Conflicts of Interest."**

Prospective investors should carefully read this Memorandum. However, prospective investors are not to construe the contents of this Memorandum or any prior or subsequent communications from the Partnership, the General Partner, the Investment Manager or any of their respective affiliates, partners, members, directors, officers, employees or agents, as investment, legal, accounting, regulatory or tax advice. In making an investment decision, investors must rely on their own examination of the Partnership, the Interests and the terms of the offering, including the merits and risks involved. Prior to investing in the Interests, a prospective investor should consult with its attorney and its investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Interests and arrive at an independent evaluation of such investment, including the applicability of any legal investment restrictions.

The Interests have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests are offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, and equivalent exemptions in the laws of the states and other jurisdictions where the offering is made. As a result, the Interests may not be resold or transferred unless they are registered under the Securities Act and such laws or such resale or transfer is exempt from the registration requirements of the Securities Act and applicable state and other applicable equivalent securities laws of any other jurisdiction. No such registration is currently planned or contemplated. In addition, the Partnership has not been, nor will it be, registered as an investment company under the 1940 Act, and investors will not be entitled to the benefits of such registration. The Interests are also subject to further restrictions on transfer described herein and in the Partnership Agreement (hereinafter defined). Because of such restrictions, there is no secondary market for the Interests, no such market is expected to develop in the future, and purchasers must bear the risk of their investment for an indefinite period of time.

This Memorandum contains a summary of the Partnership's Amended and Restated Limited Partnership Agreement (as amended, restated or otherwise modified from time to time, the "Partnership Agreement") and certain other documents referred to herein. However, the summaries set forth in this Memorandum do not purport to be complete, and they are subject to and qualified in their entirety by reference to the Partnership Agreement and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of Limited Partners. In the event that the descriptions or terms in this Memorandum are inconsistent with or contrary to the descriptions in or terms of the Partnership Agreement or such other documents, the Partnership Agreement and such other documents shall control.

The General Partner and its affiliates reserve the right to modify the terms of the offering and the Interests described in this Memorandum, and the Interests are offered subject to the General Partner's right to accept or reject any prospective investor's commitment in whole or in part in its sole discretion.



This Memorandum has been furnished on a confidential basis solely for the information of the prospective investor to whom it has been delivered on behalf of the Partnership and may not be reproduced, distributed or used for any other purposes, nor may its contents be disclosed, to any person other than professional representatives of the prospective investor in connection with its consideration of this investment. By accepting or accessing this Memorandum and any information furnished in connection herewith (collectively, the “Investment Information”), each prospective investor acknowledges and agrees that: (a) the Investment Information includes confidential, proprietary, trade secret or other commercially sensitive information; (b) such prospective investor will not distribute or reproduce the Investment Information in whole or in part, other than solely for such prospective investor’s internal review and for use by its advisors in connection therewith and that any such advisors will be subject to the confidentiality restrictions hereof; (c) such prospective investor will use the Investment Information solely to evaluate an investment in the Interests and not for any other purpose; (d) if at any time the General Partner so requests, such prospective investor will promptly return to the General Partner, or destroy, all Investment Information received; and (e) such prospective investor will not disclose to any third party that the Investment Information has been provided to such prospective investor or that the General Partner is considering the offering described herein. Each prospective investor is responsible for the fees and costs of its own counsel, accountants and other advisors. DLA Piper LLP (US) is counsel to the Partnership, the General Partner, the Investment Manager and their affiliates in connection with the offering of Interests and is not representing any Limited Partner in connection with the acquisition of any Interests.

Notwithstanding anything in this Memorandum to the contrary, the Partnership, the General Partner, the Investment Manager and each investor or prospective investor in the Partnership (and any employee, representative or other agent of the Partnership, an investor or a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Memorandum (including opinions or other tax analyses that are provided to it relating to such tax treatment and tax structure). However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable U.S. federal or state securities laws. For this purpose, tax treatment and tax structure shall not include (a) the identity of the Partnership, the General Partner, the Investment Manager or any investor in the Partnership (or, in each case, any affiliate thereof); (b) any specific pricing information; or (c) other nonpublic business or financial information (including, without limitation, the amount of any fees, expenses, rates or payments) that is not relevant to an understanding of the tax treatment of the transactions contemplated by this Memorandum.

The distribution of this Memorandum and the offer and sale of the Interests in certain jurisdictions may be restricted by law. ***Please see the various notices to investors and the U.S. securities law legends below and non-U.S. securities law legends that are found in Appendix A to this Memorandum.*** This Memorandum does not constitute investment advice or an offer to sell or a solicitation of an offer to buy any Interests in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction or to any person who is not an “accredited investor” as defined in Regulation D under the Securities Act and a “qualified purchaser” as defined in the 1940 Act. No action has been or will be taken to permit a public offering of the Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Interests may not be offered or sold, directly or indirectly, and this Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Interests that are acquired by persons not entitled to hold them or that would require the Partnership to register as an investment company under the 1940 Act will be subject to mandatory redemption. The Interests will be offered only in such non-U.S. jurisdictions, if any, as the General Partner approves in advance at its sole discretion, in which case it is the responsibility of any person wishing to purchase the Interests to satisfy himself/herself/itself as to the full observance of the laws of any relevant territory outside the United States in connection with any such purchase, including obtaining any required governmental or other consents or observing any other applicable formalities. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Interests, and any foreign exchange restrictions that may be relevant thereto.

No person has been authorized to give any information or make any representations other than as contained in this Memorandum, and any representation or information not contained herein must not be relied upon as having

been authorized by the Partnership, the General Partner, the Investment Manager or any of their members or affiliates. The delivery of this Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof or, if earlier, the date referenced with respect to such information. Statements contained herein are not made in any person's individual capacity, but rather on behalf of the General Partner or the Partnership, as appropriate. To invest in the Partnership, each prospective Limited Partner will be required to execute a limited power of attorney and a Subscription Agreement (which shall bind the prospective Limited Partner to the Partnership Agreement). In the event that any terms, conditions or other provisions of such agreements (or any related agreements) are inconsistent with or contrary to the description of terms set forth in this Memorandum, the terms, conditions and other provisions of such agreements shall control. Before the Final Closing of the Partnership, subject to any applicable limitations set forth in the Partnership Agreement, the General Partner and its affiliates reserve the right to modify any of the terms of the offering and the Interests described herein. Upon request, this Memorandum and any copies thereof are to be returned in their entirety to the General Partner.

Certain information contained in this Memorandum (including certain economic, financial market and real estate market information, as well as certain forward-looking statements and information) has been obtained from sources other than Bridge and its affiliates. While information obtained from third-party sources is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of the Partnership, the General Partner, the Investment Manager, any placement agent or any of their respective members, managers, directors, officers, employees, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information. The statements and information contained in this Memorandum have been compiled as of the date set forth on the cover page of this Memorandum (unless otherwise stated herein) from the General Partner and from other sources. Neither the delivery of this Memorandum nor any sales hereunder shall create any implication that the information contained herein is correct as of any date subsequent to such date.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can typically be identified by the use of forward-looking terminology such as "may," "will," "seek," "could," "should," "expect," "anticipate," "plan," "predict," "project," "target," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. All statements other than statements of historical facts are "forward-looking statements" for purposes of this Memorandum. Such statements reflect the General Partner's current opinion and are designed to help readers understand the General Partner's current thinking. Forward-looking statements are not a guarantee of future performance and include discussions as to the General Partner's expectations, beliefs, plans, goals, objectives and assumptions. By their very nature, however, such statements are subject to certain risks and uncertainties, including, among others, those set forth under the caption Section IX—"Risk Factors and Conflicts of Interest," that could cause actual events or results or the actual performance of the Partnership to differ materially and adversely from those reflected or contemplated in such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Partnership undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof (whether or not material), to reflect the occurrence of unanticipated events or to otherwise notify prospective investors of any such change.

Unless otherwise stated all internal rates of return, including target or projected rates of return, are presented on a "gross" basis (i.e., they do not reflect the management fees, carried interest, taxes (whether borne by investors or entities through which they participate in Investments), broken-deal expenses, transaction costs and other fees and expenses to be borne by Limited Partners, which in the aggregate are expected to be substantial). The net internal rates of return contained herein are calculated after management fees, carried interest, taxes and other fees and expenses (but before taxes or withholdings incurred by the Limited Partners directly or indirectly through withholdings by the Partnership), some of which are estimates only and do not reflect the actual amount of any such fees and expenses (which may be materially higher).

In considering the target or projected returns of the Partnership contained in this Memorandum, prospective investors should bear in mind that past, projected or targeted performance, including, without limitation, the performance of prior investments and investment vehicles managed by affiliates or principals of the General Partner or the Investment Manager, as listed in Appendix B to this Memorandum (the "Prior Investments"), is not necessarily

indicative of future results and there can be no assurance that such targeted or projected returns or asset allocations will be met, that the Partnership will achieve comparable results, that the Partnership will be able to implement its strategy or achieve its investment objectives or that the returns generated by any Investments by the Partnership will equal or exceed any past, projected or targeted returns presented herein. Investors may lose their capital.

The Partnership's target returns contained in this Memorandum are based on the General Partner's belief about the returns that may be achievable on Investments that the Partnership intends to pursue in light of the investment experience of the principals of the General Partner with respect to other investments and investment vehicles, including the Prior Investments, its view on current market conditions, potential investment opportunities that the Investment Manager is currently reviewing or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Bridge Logistics Value Fund I was inceptioned in 2021 and its returns are not yet meaningful and would not offer a complete picture of the total anticipated return for the strategy implemented by the Partnership. Target returns are provided for informational purposes in order to help prospective investors understand the Partnership's investment strategy in comparison to other investment strategies and its process for evaluating potential investment opportunities on behalf of the Partnership, including certain investment characteristics, investment terms, and risk-return profiles it generally needs to believe are present or the investment is capable of attaining in order to pursue the opportunity. Target returns for individual Investments may be greater or less than the Partnership's overall target return, and realized returns for any Investment of the Partnership may differ materially from any stated targets. Targeted portfolio characteristics and return profiles are provided for informational purposes only, are not indicative of future results, and are not guarantees. There can be no assurance that any Investment will have these characteristics or terms, that targeted returns will be met, or that investor capital will not be lost. While the General Partner believes the information presented herein is reasonable under current circumstances, actual realized returns for any Investment and the Partnership overall will depend on a variety of factors, all of which may differ from the assumptions on which any targets or projections contained herein are based. Target returns are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances. There is no guarantee that the General Partner has considered all relevant facts or that the facts on which such assumptions are based will materialize as anticipated and will be applicable to the Partnership's Investments. Actual events and conditions may differ materially from the assumptions used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Investors may lose their capital. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors when making a decision to invest in the Partnership, including in connection with evaluating target returns. Investors are invited to request additional information about the bases for target returns and projections.

Prospective investors should note that the Prior Investments were made over the course of various market and macroeconomic cycles and such circumstances may be different than those under which the Partnership will invest. Moreover, the size, ownership percentage, control rights and/or investment criteria of the assets to be acquired by the Partnership are likely to differ from such characteristics as they were present in, or negotiated in connection with, as applicable, certain Prior Investments. Certain Prior Investments were made under very different market, economic, structural and supply-demand conditions than those in which the Partnership is expected to operate and which may not be replicated. In addition, there can be no assurance that the Partnership will be able to implement its investment strategy or achieve its investment objectives.

Each prospective investor is invited to meet with representatives of the General Partner and the Investment Manager and to discuss with, ask questions of, and receive answers from them concerning the terms and conditions of this offering of the Interests, and to obtain any additional relevant information, to the extent they possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. The Interests are being offered when, as, and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No Interests may be offered and sold without delivery of this Memorandum.

The General Partner intends to evaluate potential Investments taking into consideration the target annualized net internal rate of return of 13% to 15%.<sup>4</sup> Actual returns will be based on a number of factors that are beyond the control of the General Partner, the Investment Manager or the Partnership, including, but not limited to, (a) those associated with the burdens of ownership of real property; (b) general and local economic conditions; (c) changes in supply and demand for competing properties in an area (as a result, for instance, of overbuilding); (d) changes in building, environmental, and other laws; (e) energy and supply shortages; (f) various uninsured and uninsurable risks, natural disasters, changes in governmental regulations, taxes and interest rates; (g) proposed capital structures for each investment; (h) the Partnership's intended leverage ratio; and (i) those identified in Section IX – "Risk Factors and Conflicts of Interest." The General Partner in its sole discretion may cause the Partnership to invest in an Investment whose individual expected return is less than the target net internal rate of return where the General Partner deems it appropriate, including in light of the existing or future Investments of the Partnership or to ensure a diversification of risk for the Partnership as a whole. Accordingly, for the avoidance of doubt, the statement of the Partnership's target annualized net internal rate of return does not require, and is not a representation, that the General Partner will only make Investments whose individual expected returns are equal to or in excess of the target return. Investors should carefully consider the risks associated with the assets required to generate the Partnership's target annualized net internal rate of return. Actual internal rates of return may vary for individual investors due to timing of admission to the Partnership, management fee amounts and other factors. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors when making an investment decision, including in connection with evaluating target returns.

The Partnership may trade commodity futures, options and/or swaps (collectively "Commodity Interests") and the Partnership may therefore be viewed as subject to regulation as a commodity pool under the U.S. Commodity Exchange Act (the "CEA"), as amended, and the rules of the U.S. Commodity Futures Trading Commission (the "CFTC") thereunder ("CFTC Rules"). In such event, the General Partner expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a commodity pool operator ("CPO") under CFTC Rule 4.13(a)(3). In that event, the General Partner expects to qualify for such exemption because, among other things, (a) each investor in the Partnership will qualify as an "accredited investor" as defined in Regulation D under the Securities Act; (b) the interests in such instruments are exempt from registration under the Securities Act and will be marketed and advertised to the public in the United States solely, if at all, in compliance with Rule 144A or Rule 506 under the Securities Act; and (c) at all times either (i) the aggregate initial margin and premiums required to establish the Partnership's commodity interest positions will not exceed 5% of the liquidation value of the Partnership's portfolio or (ii) the aggregate net notional value of the Partnership's commodity interest positions will not exceed 100% of the liquidation value of the Partnership's portfolio. In addition, if the Partnership enters into commodity interest contracts, the Investment Manager expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a commodity trading advisor ("CTA") with respect to the Partnership pursuant to CFTC Rule 4.14(a)(8)(i)(D). As a result, the General Partner and the Investment Manager, unlike a registered CPO and CTA, would not be required to deliver a disclosure document (as described in Part 4 of CFTC Regulations) or a certified annual report to investors. Nevertheless, all investors would still receive both annual audited financial statements and a copy of this Memorandum. Neither the CFTC nor the National Futures Association (the "NFA") pass upon the merits of

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<sup>4</sup> "IRR" or "internal rate of return" represents an aggregate, compounded daily, gross internal rate of return of the investment and is based on the actual amount and timing of cash flows between the fund and its investments. The "Gross Return" or "Return" multiple or IRR for any fund is an aggregate of the gross multiples or IRRs of each investment in the applicable fund. The target annualized "net" internal rate of return represents the target return to the Limited Partners net of management fees, carried interest, taxes and other fees and expenses (but before taxes or withholdings incurred by the Limited Partners directly or indirectly through withholdings by the Partnership), and is not a guarantee, projection, prediction or indication of future results of the Partnership. The target return is not a guarantee, projection, prediction or indication of future results of the Partnership. The General Partner in its sole discretion may cause the Partnership to invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate, including in light of the existing or future investments of the Partnership or to ensure a diversification of risk for the Partnership as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Partnership will be taking with respect to the investments it makes. There can be no assurance that the Partnership's target return or any return will be achieved and actual results may vary significantly from the target return. Please refer to the disclaimer at the front of this Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.

participating in a commodity pool or upon the adequacy or accuracy of an offering memorandum. Consequently, neither the CFTC nor the NFA has reviewed or approved this Memorandum or any disclosure document for the Partnership, and this Memorandum is not required to be, and has not been, filed with the CFTC or the NFA. Prospective investors should review Section X —“Certain Regulatory, Tax and ERISA Considerations – Commodity Exchange Act” in this Memorandum for further information.

By accepting this Memorandum, each prospective investor acknowledges and gives its informed consent regarding the representation by DLA Piper LLP (US) of the Partnership, the General Partner, the Investment Manager and their affiliates, as further described in Section VIII – “Detailed Summary of Terms – Legal Counsel.”

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PARTNERSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SEC OR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OF ANY OTHER U.S. OR NON-U.S. JURISDICTION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE, OR OTHER APPLICABLE JURISDICTION, SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

The Investment Manager has been identified as the alternative investment fund manager (as such term is defined in the AIFMD (as defined below), “AIFM”) of the Partnership as may be applicable for the purposes of the Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on Alternative Investment Fund Managers together with Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/ EU, as well as any similar or supplementary law, rule or regulation including any equivalent or similar law, rule or regulation implemented and applicable in the United Kingdom (“UK”) following its withdrawal from the European Union (the “EU”), or subordinate legislation or guidance thereto (as amended from time to time, the “UK AIFMR”), as implemented in any relevant jurisdiction, in all cases as amended from time to time (together, as applicable, the “AIFMD”). If applicable, the Investment Manager is a third country AIFM and the Partnership is a third country alternative investment fund (as such term is defined in the AIFMD, “AIF”). For the purposes of the AIFMD, the Investment Manager is not authorized by any competent regulatory authority in the European Economic Area (the “EEA”) or the UK as an AIFM and may not market the Partnership in the EEA pursuant to the marketing passport under the AIFMD (if applicable), which is only available to AIFMs and AIFs established in the EEA. Any offer to investors domiciled or with a registered office in the EEA (each an “EEA Investor”) or in the UK (each a “UK Investor”) to subscribe for interests in the Partnership shall only be made: (a), as applicable: (i)(x) to EEA Investors who are professional clients (within the meaning of Annex II of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments (“MiFID II”)); or (y) to UK Investors who are professional investors (within the meaning of the UK AIFMR); and (ii), where applicable, any investor meeting any additional eligibility criteria for such person to invest in a vehicle such as the Partnership under the laws of the respective jurisdiction in which it is domiciled or has its registered office and in compliance with the relevant EEA member state’s national private placement regime and pursuant to Article 42 of the AIFMD in respect of any EEA Investor and conditional upon satisfaction of any filing and other compliance requirements as may apply in respect of any UK Investor; or (b) in response to an unsolicited request for information relating to the Partnership from an EEA investor or a UK Investor.

In compliance with Article 23 of the AIFMD and Regulation 59 of the UK AIFMR, a disclosure statement will be made available to the relevant EEA Investors or UK Investors subscribing for the Interests, following active marketing by the Investment Manager (if applicable) pursuant to Article 42 of the AIFMD or Regulation 59 of the UK AIFMR. A list of countries where the Investment Manager has completed an Article 42 notification in the EEA in respect of the Partnership will be made available upon request by prospective investors from the Investment Manager.

THE CONTENT OF THIS COMMUNICATION HAS NOT BEEN APPROVED BY AN AUTHORIZED PERSON WITHIN THE MEANING OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000. RELIANCE ON THIS COMMUNICATION FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

## TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY .....	1
II.	SUMMARY OF KEY TERMS .....	9
III.	PRIOR PERFORMANCE OF FUNDS MANAGED BY CERTAIN BRIDGE TEAM MEMBERS .....	11
IV.	INVESTMENT OPPORTUNITY AND MARKET ENVIRONMENT .....	12
V.	INVESTMENT STRATEGY .....	27
VI.	INVESTMENT PROCESS .....	33
VII.	THE GENERAL PARTNER, THE INVESTMENT MANAGER AND MANAGEMENT OVERVIEW.....	38
VIII.	DETAILED SUMMARY OF TERMS .....	49
IX.	RISK FACTORS AND CONFLICTS OF INTEREST.....	74
X.	CERTAIN REGULATORY, TAX, ERISA and Related CONSIDERATIONS.....	119
APPENDIX A.	Notices to Certain Non-U.S. Investors .....	A-1
APPENDIX B.	Prior Fund Performance.....	B-1
APPENDIX C.	Structure of the Partnership.....	C-1
APPENDIX D.	Investment Performance— Bridge Logistics Value Fund I .....	D-1

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## I. EXECUTIVE SUMMARY

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Bridge Logistics Value Fund II LP, a Delaware limited partnership (together with any parallel funds formed to co-invest therewith, the “Partnership,” “Bridge Logistics Value II” or the “Fund”), is a private investment vehicle organized as a Delaware limited partnership and was formed by Bridge Logistics Value Fund II GP LLC, a Delaware limited liability company (the “General Partner”). The Partnership seeks to achieve risk-adjusted returns and preserve investor capital by investing in a diversified portfolio of infill-focused logistics investments, including value-add acquisitions and ground-up development opportunities. The Partnership will target logistics investments in Global Gateway Markets, with additional exposure to Prime Growth Markets and Logistics Infrastructure Markets located throughout the United States.<sup>5</sup> The Partnership’s investments are referred to herein as “Investments.”

Each person or entity who invests in the Partnership will acquire limited partnership interests (“Interests”) in, and will become a limited partner (a “Limited Partner”) of, the Partnership. Capitalized terms used throughout this Memorandum have the meanings assigned to such terms in Section VIII — “Detailed Summary of Terms” or are as otherwise defined in this Memorandum.

The overall investment strategy of Bridge Investment Group Holdings LLC (“Bridge”) and its affiliates is to invest in selective, high opportunity sectors of the U.S. real estate market, with a focus on acquiring value-add assets that it believes can be improved through intensive asset management and targeted capital investment. Bridge deploys specialized teams of experienced investment professionals to manage investment vehicles in each targeted sector. This integrated, hands-on approach to property management aims to allow Bridge to apply human capital and expertise to create substantial incremental value and operating profits at the asset level, commonly referred to as “creating alpha” at the asset level.

Bridge has assembled a purpose-built logistics properties team that the General Partner believes is well-equipped to execute on a mispriced sector of the logistics investment market by utilizing the principals’ historical investment focus and operating expertise while leveraging the scale, diversification and geographic footprint of Bridge’s corporate infrastructure. The General Partner believes that it is well-positioned to execute on (i) the acquisition of value-add assets and (ii) the innovative and sustainable development of logistics assets due to the following competitive advantages:

- **Seasoned Senior Leadership & Team** – The Investment Manager’s team is led by principals Jay Cornforth, Chief Executive Officer and Co-Chief Investment Officer, and Brian Gagne, Co-Chief Investment Officer, who collectively have nearly 45 years of experience developing, acquiring, leasing, and managing assets within the logistics sector. Mr. Cornforth and Mr. Gagne will be directly responsible for all facets of execution throughout the investment process. Additionally, leveraging their prior leadership experience, Mr. Cornforth and Mr. Gagne will oversee the Investment Manager’s team, which they have grown to 33 dedicated investment professionals, across Investments, Development, Asset Management and other critical functions to execute the Fund’s strategy.
- **Reputational Strength** – The General Partner’s principals are a seasoned, cycle-tested group of investment professionals with an established industry reputation for quick and reliable execution. With an expansive, established network of industry relationships, which includes principals, brokers, and end-users, the team expects to leverage its deeply focused regional coverage to establish a strategic, intentional footprint to support regional sourcing in key target markets. The General Partner believes that a regional organizational structure, ensuring a “boots-on-the-ground” approach, will translate to higher volume, high quality transactions, and swifter execution than market peers. As of June 2023, Bridge Logistics Value Fund I had \$765 million of gross assets closed or under contract, Bridge Logistics US Venture II had \$43 million of gross

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<sup>5</sup> Global Gateway Markets are critical global trade hubs that hold 41.5% of total U.S. inventory and 21.2% of total U.S. population with significant demand for infill logistics and last-mile delivery. Prime Growth Markets are U.S. growth markets differentiated by increasing demand due to rapidly expanding employment sectors and high rates of in-migration. Logistics Infrastructure Markets are key domestic distribution nodes that are critical for servicing large regional population centers due to their strategic location and infrastructure.



assets closed or under contract and the Investment Manager had \$805 million of equity commitments closed or under contract representing 8.4 million square feet at full build-out, the majority of which have been in Global Gateway markets (Dallas, Southern Florida, Southern California and North New Jersey/New York).

- **Sourcing Capabilities** – Given the principals’ long-standing reputation in the logistics sector, coupled with Bridge’s regionally embedded deal teams, the General Partner expects to maintain access to robust and off-market or lightly marketed deal flow from a variety of local relationships established from years of building its footprint in key logistics markets. As of January 2023, 90% of the Investment Manager’s deals were sourced off-market or in selectively marketed situations. The General Partner believes a significant majority of deals will continue to be sourced and transacted on via these channels and that Bridge’s local teams can deliver deeper and more accurate intel, enabling better investment decisions. The General Partner also believes that this depth will allow the Fund to continue identifying and acquiring attractive investments, as its local teams see subtle changes in the market first.
- **Disciplined Value Investors** – The General Partner believes that Bridge’s regional coverage model allows sourcing teams to be deeply immersed physically and in tune with tenant, ownership, and brokerage dynamics in each Target Market (as defined below). The General Partner believes that being deeply ingrained in its Target Markets allows for the quick identification of, and execution with respect to, assets where there is price dislocation, an attractive basis, and opportunity for operational upside.
- **Exemplary Development Capabilities** – The General Partner believes that Bridge is uniquely positioned to execute a selective focus on the highest barrier-to-entry industrial markets in the United States, including Los Angeles, Northern New Jersey, Dallas, and South Florida. The General Partner expects the majority of sites will be as-of-right zoning for industrial, allowing for high tempo, faster-to-market execution in tight markets and submarkets. The General Partner expects that the majority of development assets will be built on spec within low vacancy markets, but also believes that there are meaningful opportunities to capitalize on deep industry relationships and develop build-to-suit assets for high-quality tenants and customers. In each case, the General Partner will seek to apply a sustainable and innovative approach to development, including the incorporation of green materials, design, and process to “build for the future.”
- **Operational Lens with Integrated Asset and M&A Experience** – The General Partner believes the Fund will benefit from Bridge’s expansive operating experience and highly experienced in-house real estate professionals. The Investment Manager’s team’s backgrounds include a wide scope of disciplines, ranging from corporate M&A to individual asset development and operations, providing for the identification and execution of value across a diverse spectrum. Both Mr. Cornforth and Mr. Gagne benefit from having led platforms and transactions that have necessitated this corporate and asset-level expertise. The General Partner believes the combination of these proficiencies holistically will lead to optimal sourcing and execution of acquisition and development opportunities, providing the operational mindset required to reposition, rebuild, and manage assets.
- **Innovation & Sustainability** – The integration of technology and environmentally conscious elements in the development, repositioning, and operating of assets will be critical to meeting current and evolving logistics demand trends. The Investment Manager’s team has broad experience in implementing forward-thinking processes and building components, looking to meet demand necessitated by ongoing electric vehicle adoption, driverless truck advancement, and climate impact reduction, among other developing trends. The assimilation of materials, technologies, and processes will be a core focus of the General Partner in both the development and operations of the Fund’s assets.

Bridge has developed extensive relationships with a variety of financing counterparties, which the General Partner believes will enable the Fund to supplement Fund equity capital with leverage in an amount the General Partner believes appropriate to enhance returns while maintaining an appropriate risk profile. Through its affiliate relationships, Bridge maintains strong relationships at a number of major balance-sheet lending institutions. The General Partner believes that these relationships may strengthen Bridge’s position as a buyer on certain loan assumption transactions and provide opportunities to obtain preferred terms, expedited reviews, and other benefits

on new financings.

The General Partner is seeking aggregate Capital Commitments for up to \$1 billion in Interests from investors seeking to be admitted as Limited Partners; provided, however, that the General Partner may accept Capital Commitments in excess of \$1 billion in the aggregate in its sole discretion up to the Cap Amount; provided further that the General Partner may accept Capital Commitments in excess of the Cap Amount with the prior consent of the Advisory Committee.

The Partnership is managed by the General Partner, which will make all operational and investment decisions on behalf of the Partnership. The Investment Committee of the General Partner, consisting initially of Jay Cornforth, Brian Gagne, Robert Morse, Adam O’Farrell and Jonathan Slager (collectively, the “Investment Committee Members”), will oversee the Partnership’s Investments and the implementation of its investment strategy. The General Partner may add or remove Investment Committee Members from time to time. The General Partner has engaged the Investment Manager to serve as the investment manager of the Partnership and to recommend investment opportunities to the Partnership. The Investment Manager is managed by a board of managers, which currently consists of Mr. Cornforth, Mr. Gagne, Mr. Morse, Mr. O’Farrell and Mr. Slager.

The General Partner and the Investment Manager are affiliates of Bridge, which, as of March 31, 2023, has approximately \$48.8 billion in assets under management<sup>6</sup> and a nationwide team of approximately 2,225 employees,<sup>7</sup> across more than 30 U.S. states. The General Partner believes the experience of Bridge and its professionals in evaluating, acquiring and managing assets across multiple sectors of real estate over many years provides invaluable and differentiated expertise to supplement the capabilities of the Investment Manager.

## INVESTMENT OBJECTIVE HIGHLIGHTS

The Fund’s investment objectives are to:

- build a national logistics portfolio focused on urban infill, Global Gateway Markets, where there is a confluence of population density and trade infrastructure combined with high barriers to new supply;
- capitalize on comprehensive sourcing, executing capabilities and deep relationships to strategically create a balanced portfolio allocation across value-add and development opportunities, the location of which will be weighted towards Global Gateway Markets, with additional exposure to Prime Growth Markets and Logistics Infrastructure Markets;
- reposition supply-constrained, infill product, applying tenured management and deep development expertise; and
- build for future anticipated logistics demand trends by incorporating innovative and sustainable development principles to produce a forward-looking product in a space where design has remained relatively static over the past two cycles.

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<sup>6</sup> Estimated assets under management includes joint venture commitments.

<sup>7</sup> Plus approximately 3,000 professionals employed through a professional employment organization at sites managed by Bridge Senior Living.

The General Partner is targeting a portfolio of investments with the potential to generate (i) a net internal rate of return to investors of 13% to 15%, and (ii) a 1.9x net equity multiple.<sup>8</sup>

## INVESTMENT OPPORTUNITY HIGHLIGHTS

The General Partner believes that a logistics<sup>9</sup> strategy targeting high barrier-to-entry markets and infill opportunities offers investors compelling investment benefits, including the opportunity to invest in assets that the General Partner expects the Fund will typically acquire at or below replacement cost, with high value relative to logistics-focused strategies currently offered in the market. The General Partner believes that the COVID-19 pandemic accelerated market trends that created significant thematic investment opportunities based on structural changes to consumer behaviors, particularly with respect to increased utilization of e-commerce, that will disproportionately benefit the asset types and markets on which the Fund will focus.

The General Partner believes that its focus on high-volume, single-asset acquisitions of existing value-add properties, as well as the development of new assets, will provide the optimal composition of a strategically constructed portfolio, which may facilitate portfolio aggregation premium at exit. The General Partner seeks to aggregate a portfolio of primarily infill assets that are critical to the smooth functioning of supply chains and are capable of meeting the demands for automation and sustainability-focused clients. These assets are expected to provide the potential for strong capital appreciation as a result of any combination of the following: accelerating rent growth as a function of supply-demand imbalances, asset repositioning and enhanced tenant quality, mark-to-market opportunities, property-level operational improvements, and proactive renewals. In addition, while some assets may benefit from expansions to existing facilities or the development of additional infrastructure or buildings on excess land, ground-up development opportunities are a critical component of the overall portfolio construction and the General Partner's plans for value maximization for investors.

The industrial sector has demonstrated resilience over the past decade with a strong upward occupancy trend, outperforming other major real estate sectors on a risk-adjusted basis.<sup>10</sup> In particular, the General Partner believes that the sector will continue to perform well in recessionary and inflationary conditions as demonstrated over the prior five business cycles.<sup>11</sup> Emerging structural trends highlighted by COVID-19, such as e-commerce, speed-to-consumer supply chains and a need for high-throughput modern logistics facilities, continue to be major tailwinds for the sector. With brick-and-mortar sales continuing to lose headway relative to direct-to-consumer sales, the General Partner anticipates industrial occupancy to stay buoyant given strong demand for high-quality and well-located facilities in key distribution corridors.

Changing consumer preferences and the rapid growth of e-commerce have driven the need for shortened delivery periods, particularly with the emergence of next-day and same-day delivery. Industrial and retail have exhibited diverging returns across nearly every U.S. market, and e-commerce as a share of total physical store sales

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<sup>8</sup> "IRR" or "internal rate of return" represents an aggregate, compounded daily, gross internal rate of return of the investment and is based on the actual amount and timing of cash flows between the fund and its investments. The "Gross Return" or "Return" multiple or IRR for any fund is an aggregate of the gross multiples or IRRs of each investment in the applicable fund. The target annualized "net" internal rate of return represents the target return to the Limited Partners net of management fees, carried interest, taxes and other fees and expenses (but before taxes or withholdings incurred by the Limited Partners directly or indirectly through withholdings by the Partnership), and is not a guarantee, projection, prediction or indication of future results of the Partnership. The target return is not a guarantee, projection, prediction or indication of future results of the Partnership. The General Partner in its sole discretion may cause the Partnership to invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate, including in light of the existing or future investments of the Partnership or to ensure a diversification of risk for the Partnership as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Partnership will be taking with respect to the investments it makes. There can be no assurance that the Partnership's target return or any return will be achieved and actual results may vary significantly from the target return. Please refer to the disclaimer at the front of this Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.

<sup>9</sup> Logistics represents the vast majority of U.S. assets classified as industrial. As such, "industrial" and "logistics" are used interchangeably throughout this Memorandum.

<sup>10</sup> CoStar, as of Q4 2022, NCREIF as of Q3 2022.

<sup>11</sup> NCREIF, analysis of total returns across November 1981 – September 2022.

has been steadily increasing since 1999.<sup>12</sup> E-commerce sales are forecast to grow at a 16.5% compound annual growth rate (“CAGR”) through 2025, adding more than \$600 billion in e-commerce sales by 2025, with some forecasts anticipating as much as 30% or more,<sup>13</sup> after averaging 13.4% in the runup to the pandemic from 2014 to 2019. Given this forecast growth and e-commerce’s approximately 3.0x greater space utilization requirements relative to traditional brick and mortar,<sup>14</sup> the General Partner expects additional industrial real estate demand of more than 700 million square feet by 2025.

The General Partner believes that logistics demand will also be buoyed by a renaissance in US manufacturing as pandemic-driven disruptions to supply chains have led to a surge in investment to boost domestic production capabilities. Spending on US factory construction has jumped 52% since 2020, boosting demand for warehouse space to facilitate the movement of productive inputs as well as finished goods as real industrial output has climbed to an all-time high while manufacturing job totals have reached a 14-year high.<sup>15</sup> Government policy is adding further to secular tailwinds; for example, the CHIPS Act has prompted plans for \$200+ billion worth of new semiconductor facilities while electronics factory completions have spiked 6.8x since 2020.<sup>16</sup>

The General Partner believes that many logistics users are willing to pay a premium for distribution facilities in prime locations near their customer base that cut down on delivery times given the cost dynamics of the supply chain. Transportation is by far the largest cost driver for the logistics sector (especially the last-mile segment), accounting for approximately half of all expenses, while the costs of occupancy (rents, utilities, etc.) represent only 5% of expenses.<sup>17</sup> Proximity to consumers is likely to take on even greater importance over the next few years due to anticipated worsening traffic conditions in major markets as the total cost of congestion in the United States is projected to jump 32% between 2017 and 2025 due to wasted fuel and time delays.<sup>18</sup>

While new supply additions have trended above the long-term run rate in absolute terms since 2017, much of this supply has landed in lower barrier-to-entry locations, leaving key Global Gateway and many Regional Prime Growth markets undersupplied.<sup>19</sup> The General Partner believes that the supply-demand inequality is being further exacerbated by significant pre-leasing of properties that are under construction, further limiting the amount of space arriving to market without a lease in place. The General Partner believes that the Investment Manager can offer well-located, modern logistics facilities to meet the supply/demand imbalance and can be well positioned to secure tenants by capitalizing on these shifts in consumer expectations and growing transportation costs.

The General Partner seeks to assemble a strategic, infill-anchored logistics portfolio by deploying capital in major markets that serve as crucial transportation and infrastructure hubs and are poised to benefit the most from the e-commerce revolution. The General Partner intends to evaluate markets by combining data-driven, top-down analytical research with boots-on-the-ground submarket expertise from regional sourcing teams that can leverage local relationships to uncover, among other things, tenant movement and ownership dynamics. This combined approach has led the General Partner to identify the Target Markets shown in the figure below (“Target Markets”), which it believes offer attractive investment opportunities due to market scale and anticipated outperformance in key metrics that are outlined in more detail below. The General Partner anticipates building on the success of past performance of profitable value-add and development investing in all stages of an economic cycle, as evidenced by the prior value-add and development infill-anchored logistics investments of Bridge Logistics Value Fund I. See

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<sup>12</sup> U.S. Census Bureau via FRED, Quarterly Retail E-Commerce Sales, as of Q4 2022.

<sup>13</sup> Moody’s Analytics, Baseline Scenario, as of January 2023. JLL, *Industrial real estate demand on the rise in the U.S.*, Summer 2020.

<sup>14</sup> Prologis, *COVID-19 Special Report, Sixth Edition*, June 2020.

<sup>15</sup> Board of Governors of the Federal Reserve System via FRED, Industrial Production & Capacity Utilization, as of November 2022. Bureau of Labor Statistics via FRED, Employment Situation, as of December 2022.

<sup>16</sup> Semiconductor Industry Association, the CHIPS Act Has Already Sparked \$200 Billion in Private Investments, 14 December 2022.

<sup>17</sup> CBRE, *Supply Chain Costs: Breakdown of a Tenant’s Logistics Spend*, 2018.

<sup>18</sup> Texas A&M Transportation Institute, *2019 Urban Mobility Report*.

<sup>19</sup> CoStar, as of Q3 2022.

Appendix B for more information about the past performance of Bridge Logistics Value Fund I. Based on local industrial sector dynamics, the Fund's Target Markets can be categorized into three key categories:

- **Global Gateway (50-80% Target Portfolio Allocation):** These markets serve as critical global trade hubs and account for 41.5% of total U.S. industrial inventory and 21.2% of the U.S. population.<sup>20</sup> As homes to the largest consumer bases in the country, Global Gateway Markets see significant demand for infill logistics and last-mile delivery.
- **Regional Prime Growth (20-30% Target Portfolio Allocation):** These are U.S. growth markets and are differentiated by rapidly increasing demand for logistics space due to expanding employment sectors and high rates of net in-migration.
- **Logistics Infrastructure (0-20% Target Portfolio Allocation):** These markets act as key domestic distribution nodes that are critical for servicing large regional population centers due to their strategic locations and established infrastructure networks, including road, rail, air and sea.

Bridge Logistics Value II Target Markets



## INVESTMENT STRATEGY

Bridge Logistics Value II seeks to provide investors with substantial capital appreciation and attractive risk-adjusted total returns. The General Partner believes there is an attractive opportunity to focus on infill investments in Global Gateway, Regional Prime Growth, and Logistics Infrastructure Markets. The General Partner believes that

<sup>20</sup> CoStar, as of Q3 2022. Moody's Analytics, Baseline Scenario, as of December 2022.

strong total returns are achievable in the Bridge Logistics Value II Target Markets, which represent a confluence of population density and trade infrastructure combined with high barriers to new supply. The General Partner will seek to acquire assets and properties that (1) have suffered from passive property management and thus have not yet achieved their full potential, (2) are located in Target Markets, where increasing demand exceeds current supply of new and adaptive inventory, (3) are located where demographic growth coupled with significant shifts in consumer behaviors and e-commerce growth has significantly increased demand for additional supply chain and last-mile logistics infrastructure, (4) can be acquired at attractive prices relative to long term intrinsic value of competitive assets and current replacement costs, and (5) allow the Investment Manager to apply its established hands-on management experience to optimize such assets and drive ongoing alpha and occupancy by employing one or more of a variety of strategies at the property level, including targeted capital expenditures, proactive leasing strategies, land development and expansion opportunities, and operational improvements. Further, the General Partner believes that there is considerable opportunity in ground-up development in urban infill locations, which are expected to contribute meaningful value and strong returns to a total returns portfolio.

The Fund's objective is to assemble a diversified portfolio of infill-focused logistics investments, including value-add acquisitions and ground-up development opportunities. The Partnership will target logistics investments in Global Gateway Markets, with additional exposure to Prime Growth Markets and Logistics Infrastructure Markets located throughout the United States. In addition to equity investments, the Partnership may invest in distressed debt as part of a strategy to acquire real estate assets.

The General Partner intends to seek investments that:<sup>21</sup>

- are within select property types offering the opportunity to invest in deals of varying sizes, generally deploying between \$5 million and \$65 million of equity, subject to investment limitations and as the General Partner deems appropriate;
- provide the opportunity to construct a portfolio of assets that the General Partner believes present the opportunity for value creation and capital appreciation;
- are value add or ground-up development assets in strong locations that are critically aligned and diversified along the distribution side of the supply chain;
- are attractively valued, typically at or below replacement cost;
- possess excellent fundamentals, providing targeted opportunities to “enhance value” in that they may feature at least one of the following: (1) operational complexities, (2) inappropriate capitalization structures, (3) ineffective market positioning, (4) below market leases or occupancy, and/or (5) opportunity for cosmetic enhancements; and/or
- are located in submarkets that offer strong relative value and fundamentals (including robust population and job growth, consistent industrial rent growth, and steady or declining vacancy levels) and provide the opportunity to locate logistics tenants closer to consumers.

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<sup>21</sup> The General Partner has discretion to consider any characteristics it believes are relevant and is neither required to consider all of, nor limited to consideration of, the characteristics summarized herein.

In summary, the General Partner will seek to: (1) optimize investment selection by using a thorough underwriting approach to effectively diligence, structure and analyze each investment; (2) utilize the collective resources of the Investment Manager and its affiliates, and trusted, reputable third parties to directly oversee, inspect, finance, construct, rehabilitate, manage, lease, improve and sell each investment in a way that the General Partner believes unlocks or maximizes the value that can be realized from such investment; (3) increase capital efficiency and enhance Fund returns through prudent utilization and execution of asset- and fund-level leverage; and (4) maintain an appropriate portfolio balance between diversified asset types.

## **INVESTMENT MANAGER**

Bridge Logistics Properties Fund Manager LLC is the Investment Manager for the Partnership and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). The Investment Manager employs a group of professionals who have worked together cohesively for many years. These principals have extensive investment experience. The General Partner believes that one of the Investment Manager’s greatest strengths is the combination of real estate debt and real estate investment, ownership, operating and management expertise within the Partnership’s management team, including the breadth and depth of talent, length of experience and knowledge and resources that the managers and other principals of the Investment Manager bring to each stage of the investment process. The Investment Committee Members have extensive capital markets, commercial real estate, fixed income and real estate operating experience, which create a differentiated capability to source, analyze, invest, monitor, and monetize Investments.

The General Partner believes the Partnership will be strengthened in its ability to execute its strategy to the benefit of investors by the breadth and depth of experience of its integrated affiliates within the Bridge platform, as further described in Section VII – “The General Partner, the Investment Manager and Management Overview.”

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## II. SUMMARY OF KEY TERMS

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*The following is a summary of the key terms on which the Partnership will offer and sell the Interests of the Partnership. Capitalized terms not defined below shall be as set forth in Section VIII — “Detailed Summary of Terms.” This summary is qualified in its entirety by reference to the more detailed description in Section VIII — “Detailed Summary of Terms” and to the Partnership Agreement (as defined herein).*

<b>Partnership</b>	Bridge Logistics Value Fund II LP, a Delaware limited partnership, together with any parallel funds formed to co-invest therewith.
<b>General Partner</b>	Bridge Logistics Value Fund II GP LLC, a Delaware limited liability company.
<b>Investment Manager</b>	Bridge Logistics Properties Fund Manager LLC, a Delaware limited liability company.
<b>Investment Committee Members</b>	Jay Cornforth, Brian Gagne, Robert Morse, Adam O’Farrell and Jonathan Slager.
<b>Fund Size</b>	Up to \$1 billion in capital commitments to the Partnership (“ <u>Capital Commitments</u> ”); <i>provided, however</i> , that the General Partner reserves the right in its sole discretion to accept capital commitments in excess of \$1 billion in the aggregate up to \$1.5 billion (the “ <u>Cap Amount</u> ”); <i>provided further</i> that the General Partner may accept capital commitments in excess of the Cap Amount with the prior consent of the Partnership’s advisory committee (the “ <u>Advisory Committee</u> ”).
<b>Minimum Capital Commitment</b>	\$1 million, although lesser amounts may be accepted by the General Partner in its sole discretion.
<b>General Partner Commitment</b>	A minimum 2% of total Capital Commitments to the Partnership and its parallel vehicles by investors not affiliated with the General Partner, up to a maximum of \$15 million.
<b>Commitment Period</b>	Three years from the Initial Closing, subject to extension for an additional six-month period in the sole discretion of the General Partner, and for a second six-month period with the consent of the Advisory Committee (as defined below).
<b>Target Return<sup>22</sup></b>	13% to 15% net internal rate of return.
<b>Term</b>	Eight years from the Initial Closing, subject to extension in the sole discretion of the General Partner for up to two consecutive one-year periods.
<b>Diversification Limitation</b>	No more than 20% of the then-outstanding aggregate Capital Commitments of all Limited Partners will be invested in a single property (subject to the terms set forth in Section VIII — “Detailed Summary of Terms – Investment Limitations”).
<b>Preferred Return</b>	8%.
<b>Carried Interest</b>	20%.

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<sup>22</sup> The target return is not a guarantee, projection, prediction or indication of future results of the Partnership. The General Partner in its sole discretion may cause the Partnership to invest in an Investment whose individual expected return is less than the target return where the General Partner deems it appropriate, including in light of the existing or future Investments of the Partnership or to ensure a diversification of risk for the Partnership as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Partnership will be taking with respect to the Investments it makes. There can be no assurance that the Partnership’s target return or any return will be achieved and actual results may vary significantly from the target return. Please refer to the disclaimer at the front of this Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.



Carried Interest will be subject to (i) a 100% catch up in favor of the General Partner for Limited Partners making Capital Commitments of less than \$1 million, (ii) an 80% catch up in favor of the General Partner for Limited Partners making Capital Commitments of \$1 million or more but less than \$10 million, and (iii) a 50% catch up in favor of the General Partner for Limited Partners making Capital Commitments of \$10 million or more.

#### **Management Fee**

Commencing on the Initial Closing, the Partnership will pay a management fee (a "Management Fee") to the Investment Manager based on the Capital Commitments of each Limited Partner.

The Management Fees will equal: (i) for Capital Commitments of less than \$1 million, 2.5% per annum, (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 2.0% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$100 million, 1.5% per annum, and (iv) for Capital Commitments of \$100 million or more, 1.25%, in each case based on Capital Commitments during the three-year period following the Initial Closing, and thereafter on the original amount of equity used to acquire the assets held by the Partnership as of the close of the last business day of the immediately preceding calendar quarter (including the relevant Limited Partner's *pro rata* portion of the indebtedness incurred by the Partnership or a subsidiary to fund such original amount of equity in lieu of a drawdown, and without reduction for the amount of any capital returned to Limited Partners in respect of assets then held by the Partnership (including as the result of any refinancings)), provided, that if, as of the date of the close of the last business day of any calendar quarter, the cost basis of the assets held by the Partnership has not been finally determined as of such date, the General Partner may (x) use such cost basis information as is then currently available for purposes of determining the Management Fee and (y) make such adjustments as are necessary to the next quarterly Management Fee to reflect any difference in the Management Fee that would have been payable on such prior date had the initial cost basis information been available as of such date.

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### III. PRIOR PERFORMANCE OF FUNDS MANAGED BY CERTAIN BRIDGE TEAM MEMBERS

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*The General Partner is a newly formed entity with no track record. Bridge Logistics Value Fund I was incepted in 2021 and returns for that fund are not yet meaningful and does not offer a complete picture of the total anticipated return for the strategies implemented by these funds. See Section VII—“The General Partner, the Investment Manager and Management Overview” for a more detailed description of the Investment Manager and their principals and personnel. See also Appendix B for additional information regarding investment performance.*

#### **Bridge Logistics Value Fund I**

In July 2022, Bridge Logistics US Venture I LP (“Bridge Logistics Value Fund I”) had its final closing for an aggregate of approximately \$336 million of capital commitments. As of June 30, 2023, Bridge Logistics Value Fund I has invested or committed to invest approximately \$310 million of capital commitments in 33 properties pursuant to its investment guidelines.

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#### IV. INVESTMENT OPPORTUNITY AND MARKET ENVIRONMENT

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*The following investment opportunity section is an analysis by the General Partner of the current market environment. All opinions expressed herein are those of the General Partner, except where attributed to an external source. There can be no guarantee as to the availability of any opportunity or the realization of any particular outcome. References herein to the Investment Manager's experience refer to the collective experience of the Investment Committee Members and other principals of the Investment Manager. Each member's individual experience differs. See Section VII – "The General Partner, the Investment Manager and Management Overview." Prospective investors are encouraged to rely on their own examination of the underlying market and economic conditions, the merits and risks involved with an investment in the Partnership and the terms of the offering as described in this Memorandum prior to investing in the Interests.*

##### **Logistics Opportunity Summary**

The General Partner believes that a logistics strategy targeting high barrier-to-entry markets and infill opportunities offers investors compelling investment benefits, including the opportunity to invest in assets that the General Partner expects the Partnership will typically acquire at or below replacement cost, with high value relative to logistics-focused strategies currently offered in the market. The General Partner believes that the COVID-19 pandemic accelerated market trends that created significant thematic investment opportunities based on structural changes to consumer behaviors, particularly with respect to the accelerating adopting of e-commerce, that will disproportionately benefit the asset types and markets on which the Fund will focus. Amidst these shifts, the General Partner has observed that logistics strategies are increasingly competitive with respect to the acquisition and development of new bulk distribution and last-mile assets in Global Gateway Markets, driving pricing to all-time high levels, which requires robust market knowledge as well as swift sourcing and execution to achieve strong returns. Likewise, the General Partner believes that higher quality assets, stronger locations and less occupancy risk provide opportunities in terms of delivering attractive risk-adjusted total returns.

The General Partner sees a considerable opportunity to acquire, optimize, and operate select high-quality, well-located logistics assets that are mispriced by the marketplace. The General Partner believes that its focus on high-volume, single-asset acquisitions of existing value-add properties, as well as the development of new assets, will provide the optimal composition of a strategically constructed portfolio, which may facilitate portfolio aggregation premium at exit. The General Partner seeks to aggregate a portfolio of primarily infill assets that are critical to the smooth functioning of supply chains and are capable of meeting the demands for automation and sustainability-focused clients. The General Partner believes that these assets provide the potential for strong capital appreciation due to increasing tenant quality, in addition to supply and demand imbalances in Global Gateway, Regional Prime Growth, and Logistics Infrastructure Markets. While some assets may benefit from expansions to existing facilities or the development of additional infrastructure or buildings on excess land, ground-up development opportunities are a critical component of the overall portfolio construction and the General Partner's plans for value maximization for investors. The General Partner will continually assess the market opportunity and buyer pool in alignment with each asset's business plan to determine the appropriate time of sale that maximizes asset value. If the General Partner considers and ultimately completes a sale of assets prior to the completion of the Commitment Period, disposition proceeds may be recycled and deployed into new investment opportunities that align with the Partnership's investment strategy. The General Partner's assessment of whether strategic exits of select assets are appropriate will focus on market conditions in which market pricing is at or above long-term intrinsic value or expected future incremental returns are anticipated to underperform relative to other opportunities that can be acquired.

The General Partner is targeting a net internal rate of return of 13% to 15% through a strategy designed to capitalize on current and future commercial real estate trends in logistics.<sup>23</sup> In particular, the General Partner expects to focus on distribution centers and last-mile logistics in major markets that exhibit strong supply-demand fundamentals and pricing dislocations in which assets are underappreciated. The General Partner intends to buy or develop assets that fit the widest and deepest parts of tenant demand. This may include the acquisition or development of the following product types, among others: bulk (400k+ square feet, modern construction, <5% office), multi-tenant (100,000-400,000 square feet, subdivided down to 50,000-75,000 square foot tenancies, 5-10% office), shallow (<100,000 square feet, subdivided down to 5,000 square foot tenancies, 10-25% office), terminal (high-velocity sites with high door count, low coverage), last mile transload, and freezer facilities. The General Partner believes that it is well-positioned to capitalize on these opportunities due to its access, operational capabilities, and specialized experience in the Fund's target sectors as further described in Section V – "Investment Strategy."

The General Partner believes it has a significant competitive edge in executing an infill and Global Gateway Market focused logistics strategy, particularly as Bridge Logistics Value II targets sectors where Bridge's vertical integration and quality operations are likely to translate directly to enhanced tenant retention and income returns, which generally drive value creation. In addition, Bridge's in-depth knowledge of local markets, purpose-built teams, and capital markets experience enables Bridge to tap into and expand its existing high volume of deal flow and to deploy specialized property management across its business lines.

The General Partner also incorporates an ESG mindset through innovative and sustainable development and renovation, creating assets that are built for the future of the supply chain, and that have adapted, and will continue to adapt, to meet tenant needs. Specifically, the General Partner plans to pursue opportunities to use materials that reduce its carbon footprint and energy costs through the usage of skylights, white TPO roofs and LED lighting. Additionally, the Investment Manager's team will target incorporating alternate sources of energy, including but not limited to the usage of solar panels to power buildings and electric vehicles, and charging stations, to promote and support environmentally friendly vehicle fleets.

In addition to Bridge Logistics Value II, Bridge currently manages over 25 closed-end funds (with two predecessor funds now fully realized) and two open-end funds, each led by a targeted team with a focus on optimizing assets and enhancing value creation through in-house operations. Bridge and its affiliates are raising one fund specialized in a net lease logistics strategy; have raised seven funds that specialize in the acquisition, operation, and optimization of primarily Class B multifamily assets (with two now fully realized); have raised five funds that specialize in the acquisition of real-estate related commercial debt investments; have raised five funds that target real estate investments in qualified opportunity zones; have raised three funds that specialize in private pay seniors housing assets; and have invested in office assets through an allocation of the first three Bridge multifamily funds as well as Bridge's two dedicated office funds. Additionally, Bridge and its affiliates have a longstanding performance history of owning and operating multifamily and office assets from key Bridge founders beginning together in 1991 through the launch of a Bridge affiliate's first fund in 2009. Across its verticals, Bridge and its affiliates maintain a strong local operating presence combined with robust data analytics and a proprietary research platform. In 1991, the founders of Bridge began in the real estate business and since then have developed, acquired and managed multifamily, office, seniors housing and other assets. As of March 31, 2023, in the aggregate, the portfolios of Bridge and its affiliates consist of over 54,000 multifamily units, over 10,000 seniors housing units and approximately 12.8 million square feet of commercial office space.

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<sup>23</sup> The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. The targets on this page are provided to demonstrate the types of investments that the Fund will pursue and are for illustrative purposes only. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. There can be no assurance that the Fund's target return will be achieved. Please refer to the disclaimer at the front of this Memorandum for more important information regarding the methodology used to calculate, and the assumptions that underlie, the target net internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.

Given its longstanding reputation in commercial real estate across its specialized teams and key, tenured principals, Bridge has access to robust deal flow from a variety of market sources. The General Partner believes that Bridge's specialized investment verticals are among the largest and most active in the U.S. commercial real estate market. Bridge and its principals have an extensive operating history and have built a strong reputation with brokers and other owners, which has resulted in its ability to generally outperform its competitors in deployment into high-quality assets, and the General Partner believes it is well-positioned to apply those same strengths to Bridge Logistics Value II.

## Resilience of the Industrial Sector

The industrial sector has demonstrated resilience over the past decade with a strong upward occupancy trend, outperforming other major real estate sectors on a risk-adjusted basis.<sup>24</sup> In particular, the General Partner believes that the sector will continue to perform well in recessionary and inflationary conditions as demonstrated over the prior five business cycles.<sup>25</sup> Emerging structural trends such as e-commerce, speed-to-consumer supply chains and need for high-throughput modern logistics facilities, continue to be a major tailwind for the sector. Industrial occupancy remained robust at 94.6% on average in 2020, improving to 95.3% in 2021, representing over 4.5% growth since 2012.<sup>26</sup> With brick-and-mortar sales continuing to lose headway to direct-to-consumer sales, the General Partner anticipates occupancy to stay buoyant given strong demand for high-quality and well-located facilities in key distribution corridors. The industrial sector has further proven its durability by delivering consistently robust returns over the past decade that have outpaced other asset and property types. Since 2011, the industrial subcomponent of the NCREIF Property Index ("NPI"), which provides deal-level unlevered returns on core investments, has registered 17.0% average annual gains, 7.7 or more percentage points higher than other major real estate types. Industrial has also historically experienced meaningfully lower volatility in returns with an average standard deviation of 1.2% prior to 2021.<sup>27</sup> However, due to annual returns in 2021 and 2022 exceeding 30%, volatility of the industrial component of the NPI has meaningfully increased to 8.5% over the last decade.<sup>28</sup> Meanwhile, the overall NPI has uniquely combined strong average annual returns and lower volatility relative to indices covering other asset classes, such as public REITs, the S&P 500, corporate investment-grade bonds, commodities, and the 10-Year Treasury.<sup>29</sup>

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<sup>24</sup> CoStar, as of Q4 2022. NCREIF as of Q3 2022.

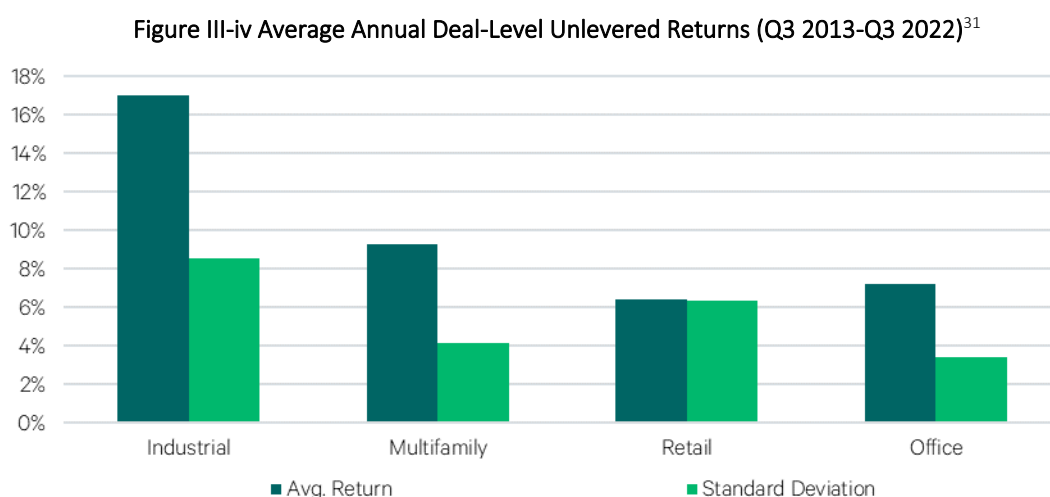
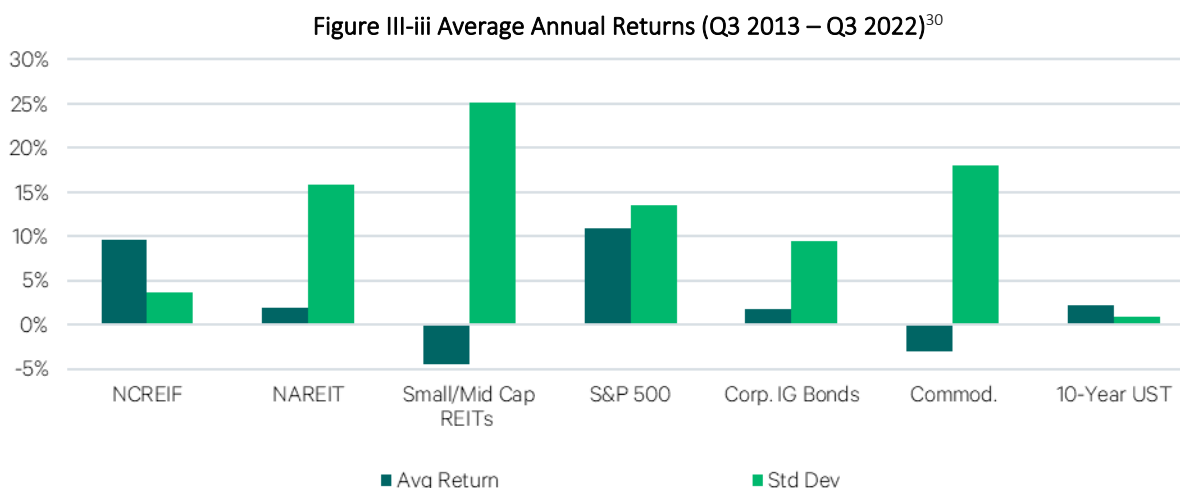
<sup>25</sup> NCREIF, analysis of total returns across November 1981 – September 2022.

<sup>26</sup> CoStar, as of Q4 2022.

<sup>27</sup> NCREIF, NPI Research Index, as of Q3 2022. Calculations are based on gross, asset-level, unlevered returns as reported by survey participants that meet NCREIF criteria.

<sup>28</sup> NCREIF, NPI Research Index, as of Q3 2022. FNAR Index (NAREIT All REITS Index). S&P 500 Total Return Index. Bloomberg Barclays US Corporate Total Return Index. Bloomberg Commodity Index. 10-Year Treasury Constant Maturity Rate, *Board of Governors of the Federal Reserve System (US)*.

<sup>29</sup> NCREIF, NPI Research Index, as of Q3 2022. FNAR Index (NAREIT All REITS Index). S&P 500 Total Return Index. Bloomberg Barclays US Corporate Total Return Index. Bloomberg Commodity Index. 10-Year Treasury Constant Maturity Rate, *Board of Governors of the Federal Reserve System (US)*.



In addition to the outperformance of industrial in terms of returns, the General Partner believes that the sector is positioned to provide a hedge against price hikes in an inflationary environment. Average annualized returns for the industrial subcomponent of the NPI have outpaced annual inflation increases by at least 430 basis points during all five business cycles that have occurred during the past forty years.<sup>32</sup> The industrial sector also outperformed during the past economic cycle with annual industrial returns outpacing annual inflation increases by more than 600 basis points.<sup>33</sup> Industrial property returns have also outdistanced inflation since the start of the pandemic, highlighting the sector's ability to be both pro-cyclical and recession resistant.<sup>34</sup>

<sup>30</sup> NCREIF, NPI Research Index, as of Q3 2022. FNAR Index (NAREIT All REITS Index). S&P 500 Total Return Index. Bloomberg Barclays US Corporate Total Return Index. Bloomberg Commodity Index. 10-Year Treasury Constant Maturity Rate, *Board of Governors of the Federal Reserve System (US)*.

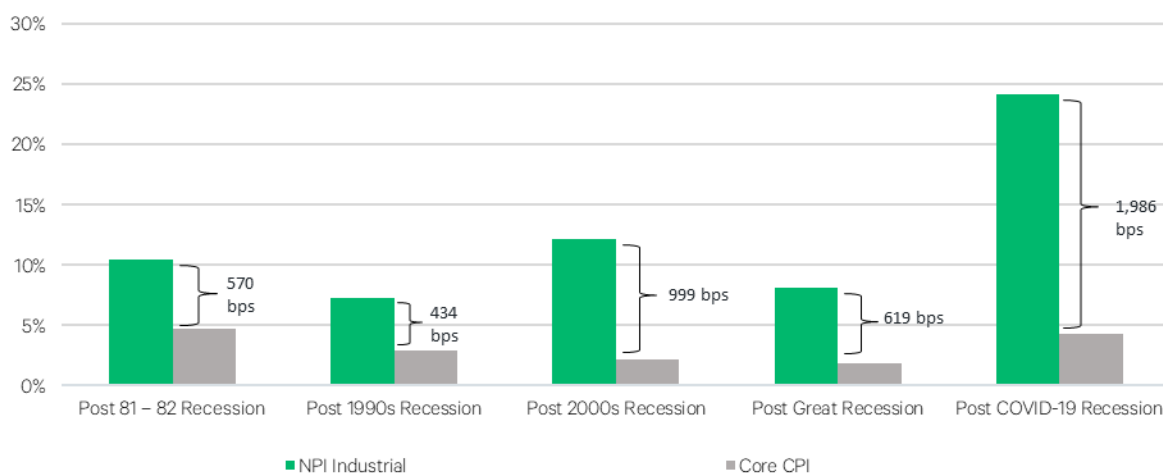
<sup>31</sup> NCREIF, NPI Research Index, as of Q3 2022.

<sup>32</sup> NCREIF NPI Research Index, as of Q3 2022. Core CPI Index, U.S. Bureau of Labor Statistics. Board of Governors of the Federal Reserve System (US) as of December 2022.

<sup>33</sup> NCREIF, NPI Research Index, as of Q3 2022. Core CPI Index, U.S. Bureau of Labor Statistics. *Board of Governors of the Federal Reserve System (US)* as of December 2022.

<sup>34</sup> NCREIF, NPI Research Index, as of Q3 2022. Core CPI Index, U.S. Bureau of Labor Statistics. *Board of Governors of the Federal Reserve System (US)* as of December 2022.

Figure III-v Post-Recession Performance: Annualized Returns vs. Annualized Inflation<sup>35</sup>



The General Partner believes that the industrial and logistics sector benefits from significant short-term and long-term structural changes, including e-commerce growth, supply chain inventory expansion and reshoring of manufacturing and distribution capacities. The General Partner believes that these demand drivers could result in up to 440.2 million square feet of logistics net absorption in 2023, a 53.6% increase over the previous five-year average.<sup>36</sup>

### The New Demand Paradigm

Changing consumer preferences and the rapid growth of e-commerce have driven the need for shortened delivery periods, particularly with the emergence of next-day and same-day delivery. Industrial and retail have exhibited diverging returns across nearly every U.S. market, and e-commerce as a share of total physical retail store sales has jumped from 0.6% in late 1999 to 14.8% as of quarter-end Q3 2022.<sup>37</sup>

E-commerce sales are forecast to grow at a 16.5% CAGR through 2025, adding more than \$600 billion in e-commerce sales by 2025, with some forecasts anticipating as much as 30% or more,<sup>38</sup> after averaging 13.4% in the runup to the pandemic from 2014 to 2019. Given this forecast growth and e-commerce's approximately 3.0x greater space utilization requirements relative to traditional brick and mortar,<sup>39</sup> the General Partner expects additional industrial real estate demand of more than 700 million square feet by 2025.

Internet connectivity and mobile platforms are driving the adoption of e-commerce across the globe. Furthermore, more than half of the U.S. population is in the Millennial generation or younger, and these populations are hyper-connected to technology and are likely to be key drivers to the consumer shifts promoting e-commerce growth. Global penetration rates reflect the potential for continued growth in the United States, which has increased in the last business cycle and accelerated after 2019.

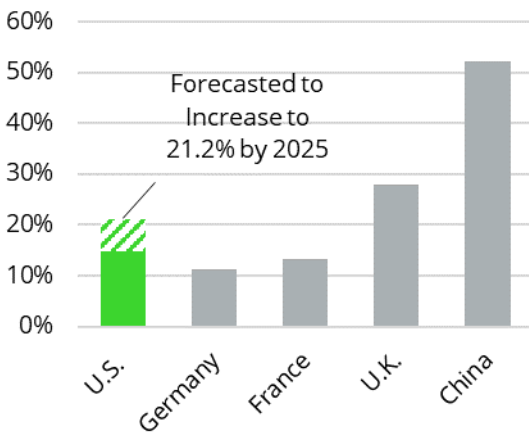
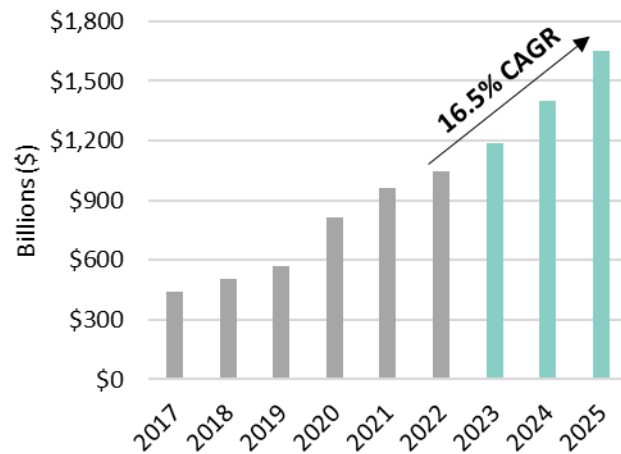
<sup>35</sup> NCREIF NPI Research Index, as of Q3 2022. Core CPI Index, U.S. Bureau of Labor Statistics. *Board of Governors of the Federal Reserve System (US)* as of December 2022.

<sup>36</sup> CoStar, as of Q4 2022.

<sup>37</sup> U.S. Census Bureau via FRED, *Quarterly Retail E-Commerce Sales*, as of Q4 2022.

<sup>38</sup> Moody's Analytics, Baseline Scenario, as of January 2023. JLL, *Industrial real estate demand on the rise in the U.S.*, Summer 2020.

<sup>39</sup> Prologis, *COVID-19 Special Report, Sixth Edition*, June 2020.

Figure III-vi E-Commerce Penetration Rate<sup>40</sup>Figure III-vii The Growth of U.S. E-Commerce Sales<sup>41</sup>

As e-commerce sales have accelerated, consumer expectations for fast delivery speeds—the ‘Prime Effect’—have also grown as a larger share of online purchases are now made for next-day or same-day shipping. Between 2015 and 2019, the share of consumers who considered a three- to four-day turnaround to be ‘fast shipping’ fell by almost half to 33%<sup>42</sup> with 75% of consumers expecting fast delivery within two days,<sup>43</sup> which the General Partner believes has led many logistics companies to further prioritize warehouses in close proximity to the consumer.

The General Partner believes that many logistics users are willing to pay a premium for distribution facilities in prime locations near their customer base that cut down on delivery times given the cost dynamics of the supply chain. Transportation is by far the largest cost driver for the logistics sector (especially the last-mile segment), accounting for approximately half of all expenses, while the costs of occupancy (rents, utilities, etc.) represent only 5% of expenses.<sup>44</sup> Proximity to consumers is likely to take on even greater importance over the next few years due to anticipated worsening traffic conditions in major markets as the total cost of congestion in the United States is projected to jump 32% between 2017 and 2025 due to wasted fuel and time delays.<sup>45</sup> The General Partner believes that the Investment Manager can offer well-located, modern logistics facilities and will be well positioned to win tenants by capitalizing on these shifts in consumer expectations and growing transportation costs.

<sup>40</sup> U.S. Census Bureau, *Quarterly Retail E-commerce Sales*, Q3 2022. J.P. Morgan Global Payments Report, *2021 E-commerce Payment Trends Report*. Emarketer, *In Global Historic First, Ecommerce in China will Account for More than 50% of Retail Sales*, Feb. 2021. Forecasts based on Moody’s Analytics Baseline Scenario as of November 2022.

<sup>41</sup> Moody’s Analytics, Baseline Scenario, as of January 2023. JLL, *Industrial Real Estate Demand on the Rise in the U.S.*, Summer 2020.

<sup>42</sup> Deloitte, *Annual Holiday Surveys*, 2015 and 2019.

<sup>43</sup> Deloitte, *Annual Holiday Survey*, 2022.

<sup>44</sup> CBRE, *Supply Chain Costs: Breakdown of a Tenant’s Logistics Spend*, 2018.

<sup>45</sup> Texas A&M Transportation Institute, *2019 Urban Mobility Report*.



Figure III-viii Consumers Using Same-Day<sup>46</sup>

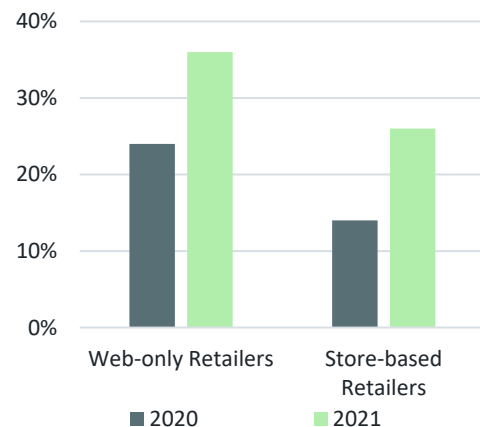


Figure III-ix Logistics Costs<sup>47</sup>

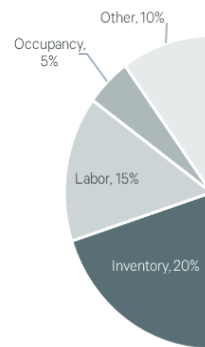
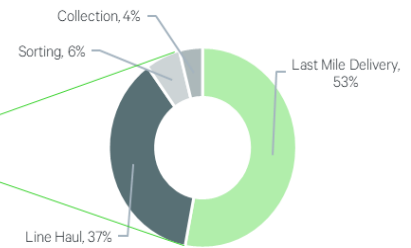


Figure III-x Trans. Costs<sup>48</sup>



The General Partner believes that logistics demand will also be buoyed by a renaissance in US manufacturing as pandemic-driven disruptions to supply chains have led to a surge in investment to boost domestic production capabilities. Spending on US factory construction has jumped 52% since 2020, boosting demand for warehouse space to facilitate the movement of productive inputs as well as finished goods as real industrial output has climbed to an all-time high while manufacturing job totals have reached a 14-year high.<sup>49</sup> In 2022 alone, reshoring and foreign direct investment momentum into the US created 350,000 new manufacturing job announcements, and the General Partner expects that expanded distribution networks will be needed to support this activity. The General Partner estimates that a new Tesla vehicle factory in Austin, for example, has created demand for 10 million SF of warehouse space in across Texas as vendors and part suppliers expand their local operations.<sup>50</sup> Government policy is adding further to secular tailwinds as the CHIPS Act has prompted plans for \$200+ billion worth of new semiconductor facilities while electronics factory completions have spiked 6.8x since 2020.<sup>51</sup>

<sup>46</sup> Digitalcommerce360.com, *Online Shoppers Demand Same-Day Delivery*, 16 March 2021.

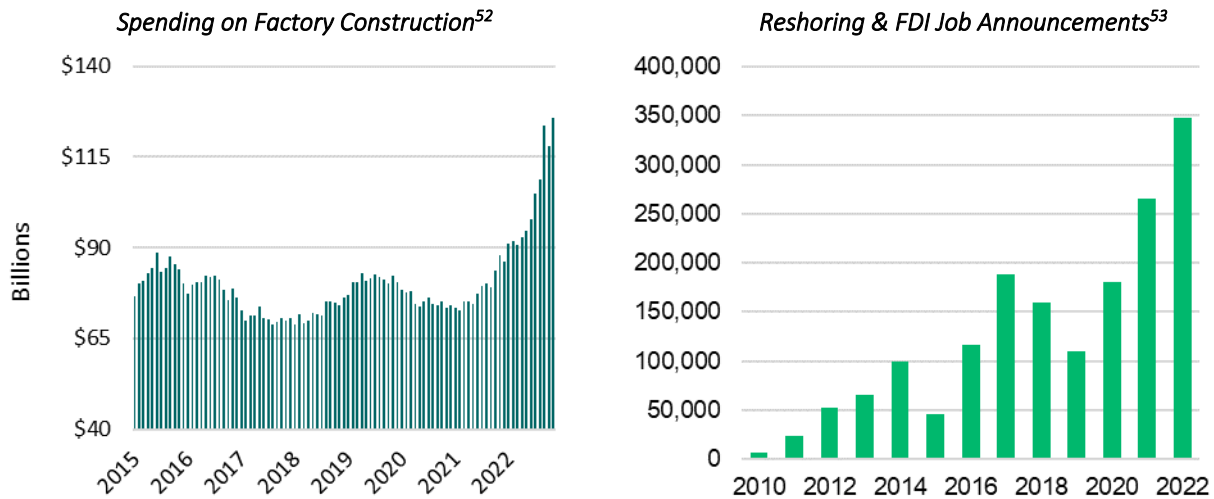
<sup>47</sup> CBRE, *Supply Chain Costs: Breakdown of a Tenant's Logistics Spend*, 2018.

<sup>48</sup> Mordor Intelligence, *Last Mile Delivery Market in the United States – Segmented by Service Type – Growth, Trends, COVID-19 Impact, and Forecasts (2021-2026)*. <https://www.mordorintelligence.com/industry-reports/last-mile-delivery-market-in-the-united-states>.

<sup>49</sup> Board of Governors of the Federal Reserve System via FRED, *Industrial Production & Capacity Utilization*, as of November 2022. Bureau of Labor Statistics via FRED, *Employment Situation*, as of December 2022.

<sup>50</sup> CoStar, as of January 2023.

<sup>51</sup> Semiconductor Industry Association, *the CHIPS Act Has Already Sparked \$200 Billion in Private Investments*, 14 December 2022.



### Structural Supply Constraints

The industrial sector has seen consistently strong absorption over the past decade that has outpaced deliveries by a cumulative total of 374.3 million square feet. Industrial completions fell in the aftermath of the global financial crisis of 2008 (“Global Financial Crisis”) and subsequent enhanced lender discipline.<sup>54</sup> Since 2017, new supply additions have trended above the long-term run rate in absolute terms, but the General Partner believes that the supply-demand imbalance is being further exacerbated by significant pre-leasing of properties that are under construction, which limits the amount of available new space that arrives to market. Further, industrial net absorption reached an all-time high of 472.9 million square feet during 2021 and was on track to reach the second highest level on record in 2022 at 364.9 million square feet.<sup>55</sup>

Similar to the Global Financial Crisis, construction financing has declined in availability as a result of economic uncertainty and rising rates as of early 2023, particularly for speculative development, which the General Partner expects will slow the pace of inventory additions. Warehouse construction costs have spiked a cumulative 45.9% since late 2019,<sup>56</sup> while an increasing number of municipalities are throwing up political barriers to new industrial projects,<sup>57</sup> further deterring development activity even as the sector has moved past some pandemic-related constraints that included difficulty in securing permits and inspections, shortages of equipment and materials, and labor unavailability. As a result, warehouse groundbreakings are expected to fall by half in 2023.<sup>58</sup>

<sup>52</sup> Census Bureau via FRED, Construction Spending, as of November 2022.

<sup>53</sup> Reshoring Initiative, 1H 2022 Data Report.

<sup>54</sup> CoStar, as of Q3 2022.

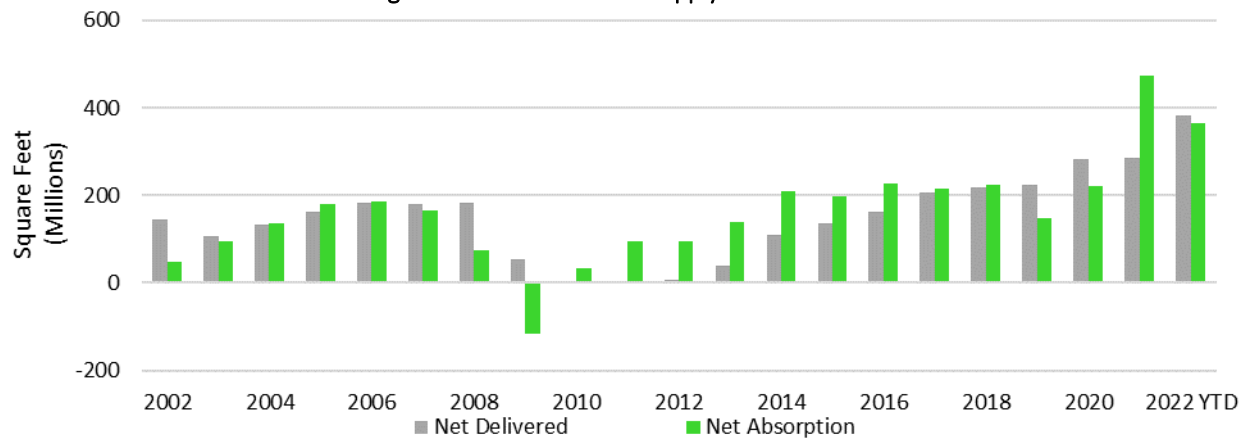
<sup>55</sup> CoStar, as of Q3 2022.

<sup>56</sup> U.S. Bureau of Labor Statistics, Producer Price Index, as of November 2022.

<sup>57</sup> Green Street, Industrial Sector Update, 22 November 2022.

<sup>58</sup> CBRE, Industrial & Logistics: U.S. Real Estate Market Outlook 2023, 2 December 2022.

Figure III-xi U.S. Industrial Supply and Demand<sup>59</sup>



At the metro level, supply constraints are most pronounced in gateway and other major markets due to high land costs, unavailability of large parcels in centrally located areas, and competition from other land uses, which has substantially curtailed industrial development activity below the U.S. pace. Over the past five years, inventory in Coastal Gateway Markets increased 1.5% annually, compared to 2.1% in all Global Gateway Markets, 2.7% in Regional Prime Growth Markets, and 3.3% in Logistics Infrastructure Markets.<sup>60</sup> As population and demand increase in the Global Gateway Markets, industrial inventory growth has remained muted in some of the largest markets, such as East Bay, Los Angeles, and Northern New Jersey. With muted new supply relative to existing stock, infill strategies are essential to meeting logistics customers' needs to get closer to consumers.

Figure III-xii Avg. Annual Supply Growth: 2018-2022<sup>61</sup>

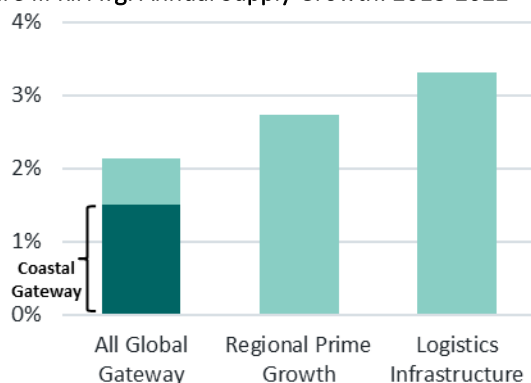
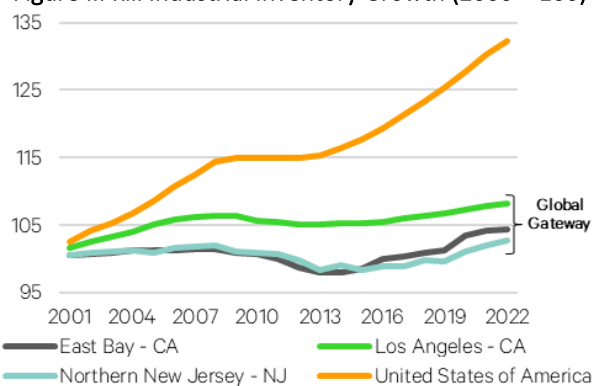


Figure III-xiii Industrial Inventory Growth (2000 = 100)<sup>62</sup>



Modern supply chains are increasingly being designed to maximize profits and efficiency by distributing goods at lower cost by minimizing inventories, a shift known as 'just-in-time' supply chain management that pulled the ratio of retail-inventories-to-sales steadily downward from 1992 to the Global Financial Crisis. However, extremely lean inventory levels are unable to accommodate volatility, increasing the risk of lost revenues, contributing to ISM surveys that find that business inventories have been 'too low' for 70+ consecutive months.<sup>63</sup> Historically, disruptions like natural disasters and work stoppages at ports have impacted inventory practices, inducing increases in inventory levels as supply chains emphasize resilience over efficiency and focus on increasing "safety net" stock levels.

<sup>59</sup> CoStar, as of Q3 2022.

<sup>60</sup> CoStar, as of Q3 2022. Coastal Gateway includes Los Angeles, Orange County, Inland Empire, East Bay, Northern New Jersey, Miami, and Ft. Lauderdale.

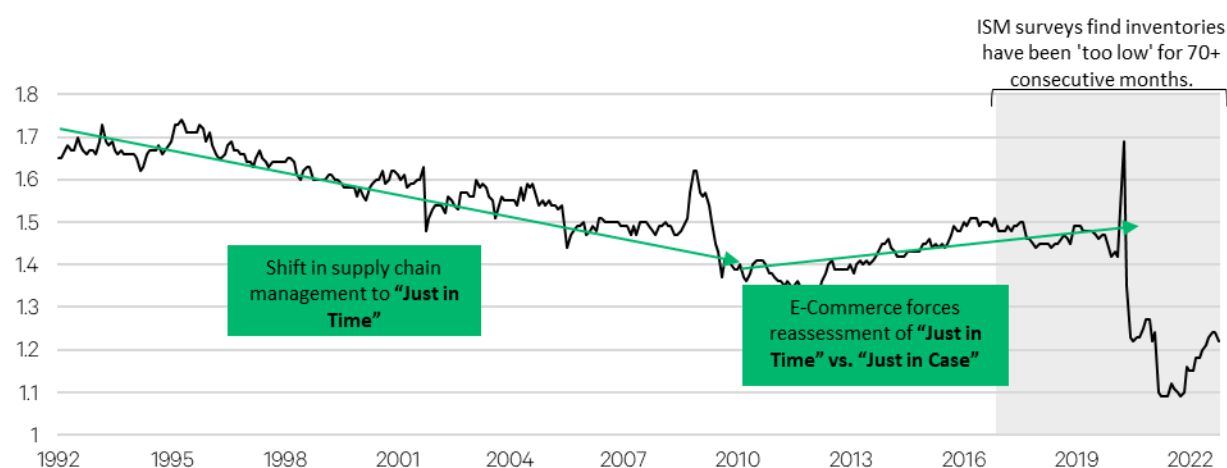
<sup>61</sup> CoStar, as of Q3 2022. Coastal Gateway includes Los Angeles, Orange County, Inland Empire, East Bay, Northern New Jersey, Miami, and Ft. Lauderdale.

<sup>62</sup> CoStar, as of Q3 2022.

<sup>63</sup> ISM Manufacturing Survey, as of December 2022.

Between 2010 and 2019, the average retail-inventories-to-sales ratio registered some modest gains as growth in e-commerce led to a new mindset of 'just-in-case' supply chain management, but the average ratio remained well below that of the preceding decade. Increasing the ratio of retail inventory to sales from 1.43 back to the 1.66 average seen during the 1990s would require inventory growth of approximately 10% (holding sales constant).<sup>64</sup> As supply chains are re-tooled for resilience following disruptions and shortages brought on by the pandemic, analysis of real inventory trends in the United States indicates that each 100 basis points of growth in inventories translates to approximately 57 million square feet of net U.S. demand.<sup>65</sup> Thus, an estimated 10% increase in total business inventories could translate into a potential for 570 million square feet of additional demand for logistics space.<sup>66</sup>

Figure III-xiv Retail Inventories to Sales Ratio<sup>67</sup>



## Rent and Pricing Dynamics

Heading into 2023, the General Partner believes that industrial real estate finds itself in a position of relative strength compared to the market environment coming out of the Global Financial Crisis. The national vacancy rate swelled 164 basis points from 2008 to a peak of 10.7% in 2009, while rent growth dipped into negative territory in both 2009 and 2010.<sup>68</sup> In contrast, industrial rents climbed 6.1% during 2020, 11.0% during 2021 and 12.6% during 2022, building on several years of positive momentum during the previous cycle to reach an all-time high of \$10.25 per square foot, increasing a total of \$4.95 per square foot or 93.4% growth since 2012, with an additional \$0.97 per square foot forecast by the end of 2024.<sup>69</sup> Meanwhile, the U.S. vacancy rate has fallen approximately 131 basis points since 2019 to near historic lows at 4.6%, well below the previous peak.<sup>70</sup> In Coastal Gateway markets, the supply-demand imbalance is even more substantial, which has led to an even lower vacancy rate of 2.4% as of the end of 2022.<sup>71</sup>

Industrial assets tend to be a lower-beta property type characterized by steady, predictable cash flow given the prevalence of triple net lease structures, which pass through property-level operating expenses to the tenant and minimize the investment manager's capital outlays. Figure III-xv indicates that industrial market rent saw a relatively

<sup>64</sup> U.S. Census Bureau via FRED, *Manufacturing and Trade Inventory and Sales*, as of January 2021.

<sup>65</sup> Prologis, *COVID-19 Special Report, Fifth Edition, May 2020*.

<sup>66</sup> U.S. Census Bureau via FRED, *Manufacturing and Trade Inventories and Sales*, as of January 2021.

<sup>67</sup> Prologis, *COVID-19 Special Report, Fifth Edition, May 2020*. U.S. Census Bureau via FRED, *Manufacturing and Trade Inventory and Sales*, as of February 2022. ISM Manufacturing Survey, as of December 2022.

<sup>68</sup> CoStar, as of Q3 2022.

<sup>69</sup> CoStar, as of Q3 2022.

<sup>70</sup> CoStar, as of Q3 2022.

<sup>71</sup> CoStar, as of Q3 2022.

modest 2.5% CAGR between 2001 and year-end 2019. But since then, the sector has seen substantially stronger growth resulting in a 9.9% CAGR. Favorable, localized employment trends and a strong demand for e-commerce related transportation and warehousing supports the General Partner's belief that rent growth will remain stable within the industrial sector.

Figure III-xv Logistics Rent and Vacancy through Cycles (2001 - 2024f)<sup>72</sup>

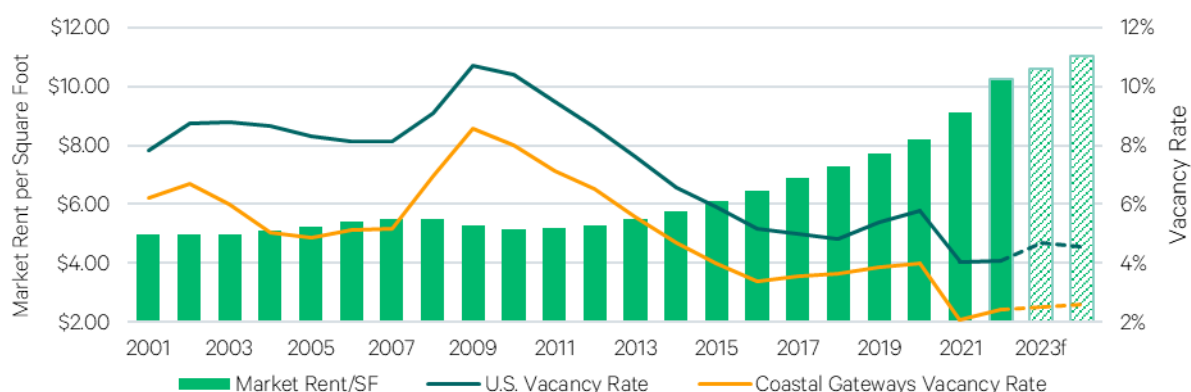
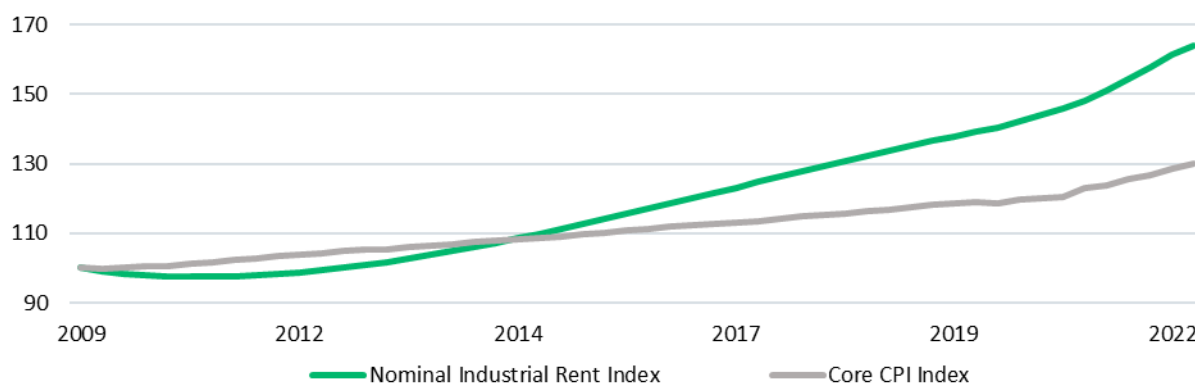


Figure III-xvi Core CPI Index vs. Market Rent/SF<sup>73</sup>



Moving forward, the General Partner anticipates that rents will continue to climb steadily at the national level as well as in key market segments, which the General Partner believes will lead to greater asset appreciation across the industrial sector. The average U.S. revenue per available foot ("RevPAF"), which combines changes in rents and occupancies into one metric, is projected to jump a cumulative 16.4% during 2023-2026,<sup>74</sup> 19.9% in Coastal Markets, 15.4% in Major Non-Coastal Markets, and 11.7% in Other Non-Coastal Markets. RevPAF is anticipated to revert towards long-term historical trendlines over the next few years.<sup>75</sup> Forecasts call for Coastal Markets to lead the way with 4.6% annual RevPAF gains through 2026, driven by strong anticipated performance in the Northern New Jersey, New York, Los Angeles, Orange County, and Inland Empire markets.<sup>76</sup>

<sup>72</sup> CoStar, as of Q3 2022. Note that the 2022 YTD figure includes totals for Q1-Q3 2022. Green Street, as of Q3 2022. Coastal Gateway Markets (a subset of Global Gateway Markets) include Los Angeles, Orange County, Inland Empire, East Bay, Northern New Jersey, Miami, and Ft. Lauderdale.

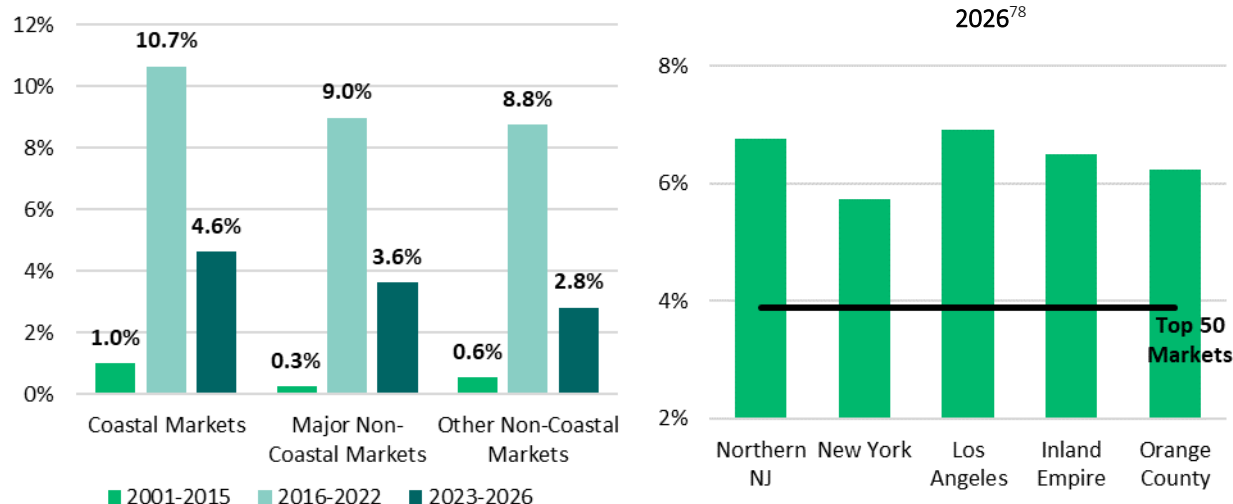
<sup>73</sup> CoStar, as of Q3 2022. U.S. Bureau of Labor Statistics via FRED, *Consumer Price Index for All Urban Consumers: All Items Less Food and Energy in U.S. City Average (CPILFESL)*, as of October 2022.

<sup>74</sup> Green Street, 2022 figures and forecasts are as of Q3 2022.

<sup>75</sup> Green Street, 2022 figures and forecasts are as of Q3 2022.

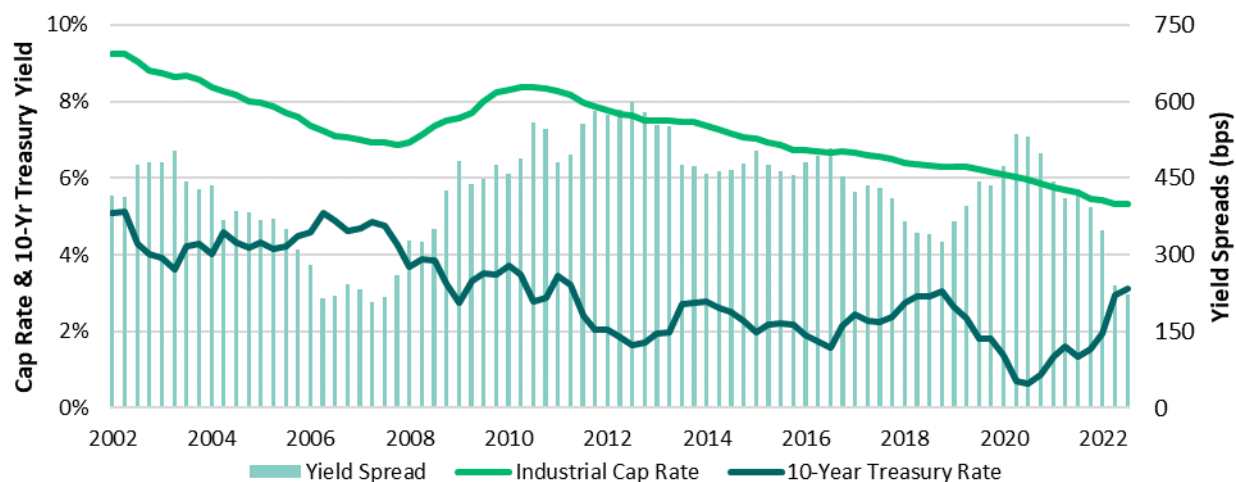
<sup>76</sup> Green Street, 2022 figures and forecasts are as of Q3 2022.

Figure III-xvii Historic & Projected Annual RevPAF Growth<sup>77</sup> Figure III-xviii Projected Ann. RevPAF Growth: 2023-2026<sup>78</sup>



The General Partner believes that these steadily positive rent dynamics over the past several years and expected continued rent growth have likely contributed to the industrial sector's attractive and durable returns. Since 2002, the spread between the U.S. industrial cap rate<sup>79</sup> and the 10-year Treasury<sup>80</sup> has averaged 427 basis points.<sup>81</sup> During the Global Financial Crisis, the spread narrowed but never dipped below 200 basis points, demonstrating a degree of resilience even during a low point in the broader business cycle when many sectors of the economy saw broad dislocations.<sup>82</sup>

Figure III-xix U.S. Industrial Cap Rate Spreads Over 10-Year Treasury<sup>83</sup>



<sup>77</sup> Green Street, 2022 figures and forecasts are as of Q3 2022. Coastal Markets include Baltimore/D.C., Boston, Bay Area, Central/Northern New Jersey, Honolulu, New York, Seattle, South Florida, Southern California. Major Non-Coastal Markets include Atlanta, Chicago, Dallas, Houston, Philadelphia/Eastern PA, Phoenix. Other Non-Coastal Markets include the remaining markets in Green Street's Top 50 U.S. Markets.

<sup>78</sup> Green Street, as of Q3 2022.

<sup>79</sup> Real Capital Analytics, as of Q3 2022.

<sup>80</sup> Moody's Analytics, Baseline Scenario, as of January 2023.

<sup>81</sup> Real Capital Analytics, as of Q3 2022. Moody's Analytics, Baseline Scenario, as of January 2023. Analysis ends at Q3 2022 quarter-end.

<sup>82</sup> Real Capital Analytics, as of Q3 2022. Moody's Analytics, as of January 2023. Analysis ends at Q3 2022 quarter-end.

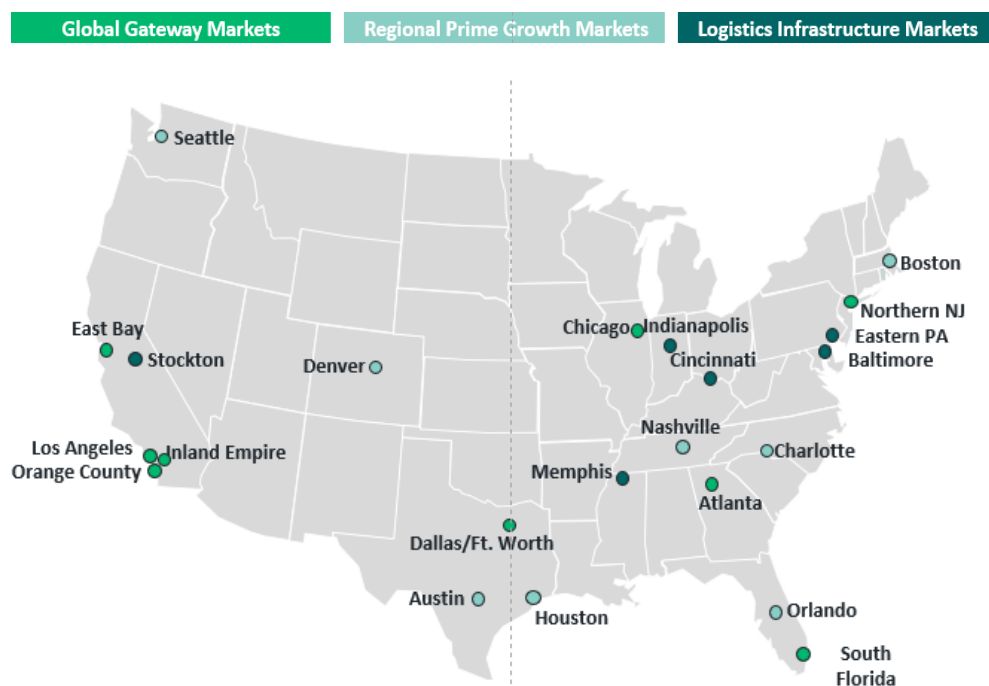
<sup>83</sup> Real Capital Analytics, as of Q3 2022. Moody's Analytics, as of December 2022. Analysis ends at Q3 2022 quarter-end.

## Bridge Logistics Value II's Target Markets Expected to Outperform Other Markets

The General Partner seeks to assemble a strategic, infill-anchored logistics portfolio by deploying capital in major markets that serve as crucial transportation and infrastructure hubs and are poised to benefit to the greatest extent from the e-commerce revolution. The General Partner intends to evaluate markets by combining data-driven, top-down analytical research with boots-on-the-ground perspectives from regional sourcing teams that can leverage local relationships to uncover, among others, tenant movement and ownership dynamics. This combined approach has led the General Partner to identify the Target Markets highlighted in Figure III-xx below ("Target Markets"), which it believes offer attractive investment opportunities due to market scale and anticipated outperformance in key metrics that are outlined in more detail below. Based on local industrial sector dynamics, the Fund's Target Markets can be categorized into three key categories:

- **Global Gateway (50-80% Target Portfolio Allocation):** These markets serve as critical global trade hubs and account for 41.5% of total U.S. industrial inventory and 21.2% of the U.S. population.<sup>84</sup> As homes to the largest consumer bases in the country, Global Gateway Markets see significant demand for infill logistics and last-mile delivery.
- **Regional Prime Growth (20-30% Target Portfolio Allocation):** These are U.S. growth markets and are differentiated by rapidly increasing demand for logistics space due to expanding employment sectors and high rates of net in-migration.
- **Logistics Infrastructure (0-20% Target Portfolio Allocation):** These markets act as key domestic distribution nodes that are critical for servicing large regional population centers due to their strategic locations and developed infrastructure networks, including road, rail, air, and sea.

Figure III-xx Bridge Logistics Value II Target Markets



Bridge Logistics Value II Target Markets stand out for consistently strong historical performance in the industrial sector and for expected continued high-level growth trends. The General Partner evaluates these markets for demand

<sup>84</sup> CoStar, as of Q3 2022. Moody's Analytics, Baseline Scenario, as of December 2022.

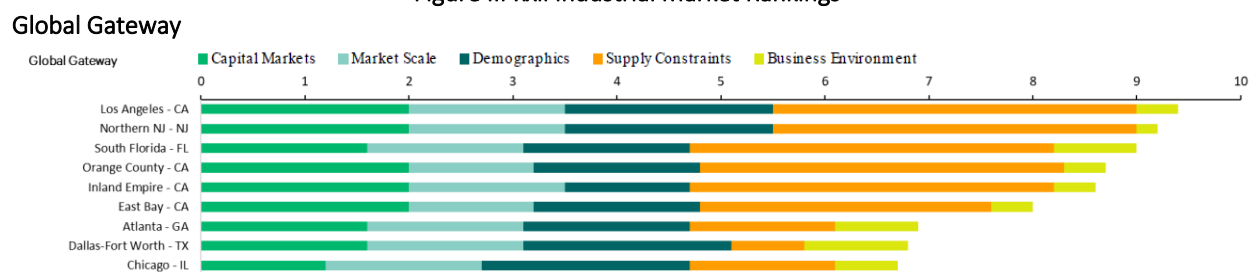
and rent growth, capital markets activity, market scale, demographic trends, supply growth, and the local business environment as summarized in the table below. Each of these metrics is weighted based on its relationship to overall industrial market performance to provide a representative and comprehensive view of the market as shown in Figure III-xxi below. The General Partner anticipates regularly updating this analysis over the course of the fund cycle as new market data becomes available, in order to maintain a fresh perspective on fast-moving market dynamics.

Figure III-xxi Market Evaluation Metrics<sup>85</sup>

Capital Markets	20%	Cap Rate	50%	Industrial yields; as of the current period (inverse relationship)
		Total Returns	25%	NCREIF income + appreciation returns; CAGR from 2010 to current
		Transaction Volume	25%	Cumulative sales volume over the past five years
Market Scale	15%	Industrial Inventory	15%	Raw size of the market compared to analysis group; as of the current period
		NCREIF Core Weight	85%	Percent of NPI industrial square feet located in the market; as of the current period
Demographics	20%	Spending Power	50%	Total market income (population * per capita income); as of the current period
		Gross Metro Product	50%	Market productivity ("GMP"); as of the current period
Supply Constraints	35%	Supply Constraints	30%	Total inventory CAGR over the past ten years (inverse relationship)
		Vacancy Trends	70%	Average vacancy rate for industrial assets over the past ten years (inverse relationship)
Business Environment	10%	Business Environment	100%	CNBC's annual survey of business-friendly states (inverse relationship)

Figure III-xxii below summarizes the results of the analytical framework described above, broken out by Global Gateway Markets, Regional Prime Growth Markets, and Logistics Infrastructure Markets. Many of the Global Gateway Markets, where the General Partner anticipates deploying the largest share of the Fund's equity, rank near the top of the list because of deep pools of inventory, high liquidity, and large population bases that drive spending on consumer goods, and highly productive metro economies that serve as centers of international commerce. In addition, muted logistics supply growth in these markets has resulted in vacancy rates at lower levels than the U.S. average, placing upward pressure on rents.

Figure III-xxii Industrial Market Rankings<sup>86</sup>

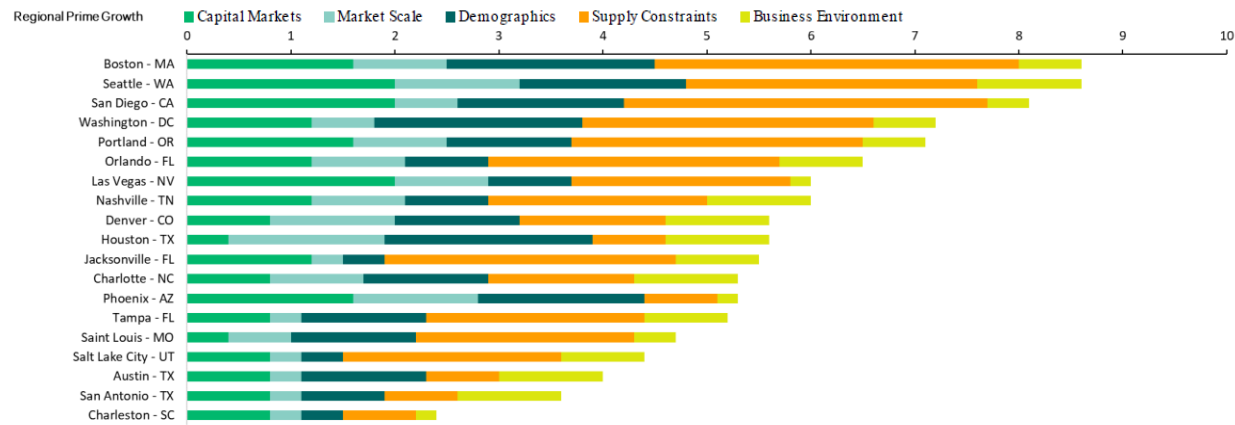


<sup>85</sup> This is provided for illustrative purposes only to demonstrate the general inputs used to analyze target markets. These inputs and their respective weights may change at any time at the discretion of the General Partner.

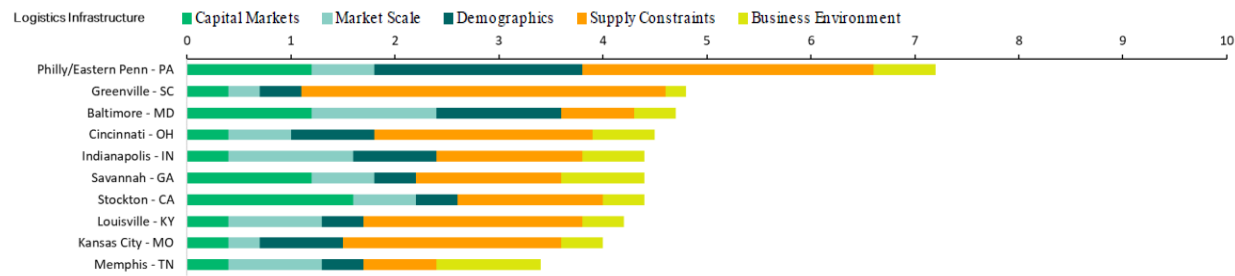
<sup>86</sup> CoStar, as of Q3 2022. NCREIF, as of Q3 2022. Moody's Analytics, Baseline Scenario, as of October 2022. CNBC, *America's Top States for Business*, 13 July 2021. This is provided for illustrative purposes only to demonstrate the general inputs used to analyze target markets. These inputs and their respective weights may change at any time at the discretion of the General Partner.



Regional Prime Growth



Logistics Infrastructure



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## V. INVESTMENT STRATEGY

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### OVERVIEW

Bridge Logistics Value II focuses on infill acquisition, repositioning, and development opportunities in U.S. Global Gateway Markets, Regional Prime Growth Markets, and Logistics Infrastructure Markets, constructing a portfolio completely aligned with the ongoing evolution of the supply chain. The Fund's strategy seeks price dislocation, operational upside, and innovative execution potential in order to drive attractive risk-adjusted total returns, investing in markets where there is a confluence of existing and increasing population density, rapid e-commerce adoption, and constrained supply. Bridge Logistics Value II is led by a team of cycle-tested investment professionals with considerable experience in mergers and acquisitions, who can prudently deploy capital in inflationary and recessionary conditions. Development is a core competency of Bridge Logistics Value II, and the Investment Manager will seek to leverage the team's depth of experience to maximize investor value. The Investment Manager's experienced and established vertically integrated team expects to pursue a high volume of transactions, aggregating a portfolio that further optimizes returns via off-market, single asset investments (among others). The resulting strategic, infill-anchored portfolio is expected to generate an attractive portfolio premium while providing scale, stability, and diversity across logistics assets that are prepared to meet future distribution trends and client demands. The General Partner believes that this creates competitive advantages related to deal flow, responsiveness to market opportunities, and experience in executing property-level and portfolio-level value enhancement and risk mitigation.

Adding depth and experience to its logistics properties senior leadership team, Bridge recently hired several key principals with extensive experience transacting, leasing, and managing real estate. Specifically, the Investment Manager hired Jay Cornforth as Chief Executive Officer and Co-Chief Investment Officer, and Brian Gagne as Co-Chief Investment Officer, who collectively have nearly 45 years of experience, to lead the Investment Manager and directly oversee all facets of operations throughout the entire investment process. Prior to joining Bridge, Mr. Cornforth and Mr. Gagne collectively built a long history in the "value" space and gained experience across acquisition, repositioning, and development of global logistics assets; together with other senior members of the Investment Manager they have totaled over \$30 billion of transaction volume and over 167 million square feet globally, including in roles prior to joining Bridge. Please see Section VII – "The General Partner, the Investment Manager and Management Overview" for biographical information on Mr. Cornforth and Mr. Gagne. The Investment Manager has also brought on several other key hires to build out the team's functional groups and regional oversight across the West, Central, Southeast and Northeast Regions of the United States.

Bridge Logistics Value II seeks to provide investors with substantial capital appreciation and attractive risk-adjusted total returns. The General Partner believes there is an attractive opportunity to focus on infill investments in Global Gateway, Regional Prime Growth, and Logistics Infrastructure Markets. The General Partner believes that strong total returns are achievable in the Bridge Logistics Value II Target Markets, which represent a confluence of population density and trade infrastructure combined with high barriers to new supply. The General Partner will seek to acquire assets and properties that (1) have suffered from passive property management and thus have not yet achieved their full potential, (2) are located in Target Markets, where increasing demand exceeds current supply of new and adaptive inventory, (3) are located where demographic growth coupled with significant shifts in consumer behaviors and e-commerce growth require additional supply chain and last-mile logistics infrastructure, (4) can be acquired at attractive prices relative to long term intrinsic value of competitive assets and current replacement costs, and (5) allow the Investment Manager to apply its operational expertise and deep tenant knowledge and understanding to thoughtfully optimize and reposition assets to create asset value and drive occupancy by employing one or more of a variety of strategies at the property level, including targeted capital expenditures, proactive leasing strategies, land development and expansion opportunities, and effecting operational improvements. Further, the General Partner believes that there is considerable opportunity in ground-up development in urban infill locations, which are expected to contribute meaningful value and strong returns to a total returns portfolio. In addition to equity investments, the Partnership may invest in distressed debt as part of a strategy to acquire real estate assets.

## INVESTMENT OBJECTIVES

The Fund's investment objectives are to:

- build a national logistics portfolio focused on urban infill, Global Gateway Markets, where there is a confluence of population density and trade infrastructure combined with high barriers to new supply;
- capitalize on comprehensive sourcing, executing capabilities and deep relationships to strategically create a balanced portfolio allocation across value-add and development opportunities, the location of which will be weighted towards Global Gateway Markets, with additional exposure to Prime Growth Markets and Logistics Infrastructure Markets;
- reposition supply-constrained, infill product, applying tenured management and deep development expertise; and
- build for future anticipated logistics demand trends by incorporating innovative and sustainable development principles to produce a forward-looking product in a space where design has remained relatively static over the past two cycles.

As a result, the Fund intends to provide strong risk-adjusted total returns relative to other asset classes and serve as an inflation hedge, realize long-term capital appreciation in the value of the Fund's investments upon disposition, operate assets in a manner that is socially and environmentally responsible, and manage risk thoughtfully and appropriately to preserve and return investor capital for a strong and resilient total return for investors.

The General Partner intends to seek investments that:<sup>87</sup>

- are within select property types offering the opportunity to invest in deals of varying sizes, generally deploying between \$5 million and \$65 million of equity, subject to investment limitations and as the General Partner deems appropriate;
- provide the opportunity to construct a portfolio of assets that the General Partner believes present the opportunity for value creation and capital appreciation;
- are value add or ground-up development assets in strong locations that are critically aligned and diversified along the distribution side of the supply chain;
- are attractively valued, typically at or below replacement cost;
- possess excellent fundamentals, providing targeted opportunities to "enhance value" in that they may feature at least one of the following: (1) operational complexities, (2) inappropriate capitalization structures, (3) ineffective market positioning, (4) below market leases or occupancy, and/or (5) opportunity for cosmetic enhancements; and/or
- are located in submarkets that offer strong relative value and fundamentals (including robust population and job growth, consistent industrial rent growth, and steady or declining vacancy levels) and provide the opportunity to locate logistics tenants closer to consumers.

In summary, the General Partner strives to *"buy the right property, in the right place, at the right time, and at the right price."*

Using a comprehensive, top-down, data-driven approach to monitor and analyze macroeconomic trends, Bridge Logistics Value II intends to selectively invest in opportunities and markets using analytics metrics and detailed

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<sup>87</sup> The General Partner has discretion to consider any characteristics it believes are relevant and is neither required to consider all of, nor limited to considering the characteristics summarized herein.

forecasts regarding household, population, and employment growth, rent growth, increasing occupancy levels, retail sales, inventories, and imports and exports. The General Partner believes that Bridge's long history as an owner-operator is expected to allow Bridge Logistics Value II to leverage its perspective of national market trends, based upon multi-cycle experience as a hands-on and local operator. The General Partner believes that its selective markets are, and will continue to be, underpinned by strong demographic and economic fundamentals, which are likely to support a long-term and risk-mitigated demand for real estate.

The General Partner will seek to:

- optimize investment selection by using a thorough underwriting approach to effectively diligence, structure and analyze each investment;
- utilize the collective resources of the Investment Manager and its affiliates, and trusted, reputable third parties to directly oversee, inspect, finance, construct, rehabilitate, manage, lease, improve and sell each investment in a way that the General Partner believes unlocks or maximizes the value that can be realized from such investment;
- increase capital efficiency and enhance Fund returns through prudent utilization and execution of asset- and fund-level leverage; and
- maintain an appropriate portfolio balance between diversified asset types.

## INVESTMENT APPROACH

Supported by Bridge's deep operational real estate expertise at the asset level, the General Partner strives to conduct a rigorous asset-by-asset evaluation of potential investments and structure the terms of each acquisition with the flexibility to optimize potential risk-adjusted returns. The General Partner's Investment Committee will be responsible for implementing the Partnership's investment strategy and the Investment Manager will oversee the ongoing operations of the Partnership.

The Investment Manager's cycle-tested approach to investment and portfolio construction focuses on strategically sourcing investment opportunities throughout the risk spectrum to generate attractive total returns throughout economic climates, including by:

- constructing a strategic infill-anchored portfolio of value-add functional assets and development sites in supply constrained Global Gateway Markets that the General Partner believes will be long term outperformers relative to national growth trends;
- emphasizing off-market sourcing, high tempo transaction volume and agile execution to minimize competitive pricing dynamics and acquire assets below replacement costs;
- exercising discipline as value investors, benefitting from teams embedded in local markets able to identify price dislocation and capitalize on deep operational and development experience to identify and eradicate operating inefficiencies to boost asset values and premium exit opportunities;
- leveraging in-house development capabilities to promote efficiency, innovation and sustainability in development projects;
- integrating the expertise of asset management, development management, and acquisition teams to efficiently identify functional assets with operational issues and clear paths to unlocking value; and
- operational excellence to unlock value and establish scale in key markets to enhance knowledge, deal flow, and exit pricing through a diversified portfolio premium.

As described above, value creation and total returns are increased by combining seasoned portfolio management with local, hands-on sourcing operational capabilities. The Investment Manager expects to capitalize on a regional team structure with deal teams who are deeply embedded in Target Markets, allowing the team to build key local

relationships that allow for the Fund to access deal flow that is not broadly marketed. Historically, principals of the Investment Manager have sourced a significant portion of their transaction activity through local channels outside of broadly marketed broker efforts. The General Partner also believes that the Investment Manager's in-house development capabilities are a key differentiator and important component to unlocking value for investors as the team is able to capitalize on first-look development opportunities sourced from the team's integration in and relationships with local markets. Additionally, as value investors, identifying replacement cost is critical, as the Investment Manager underwrites and executes on deals.

## PORTFOLIO COMPOSITION

The General Partner intends to construct a portfolio of properties that generally offer attractive total returns predominantly through capital appreciation generation from operational enhancements, repositioning and development activities. The General Partner will seek to allocate investments across sectors that optimize the Fund's performance based on a variety of factors, including market fundamentals, current income, risk profile, and capital appreciation.

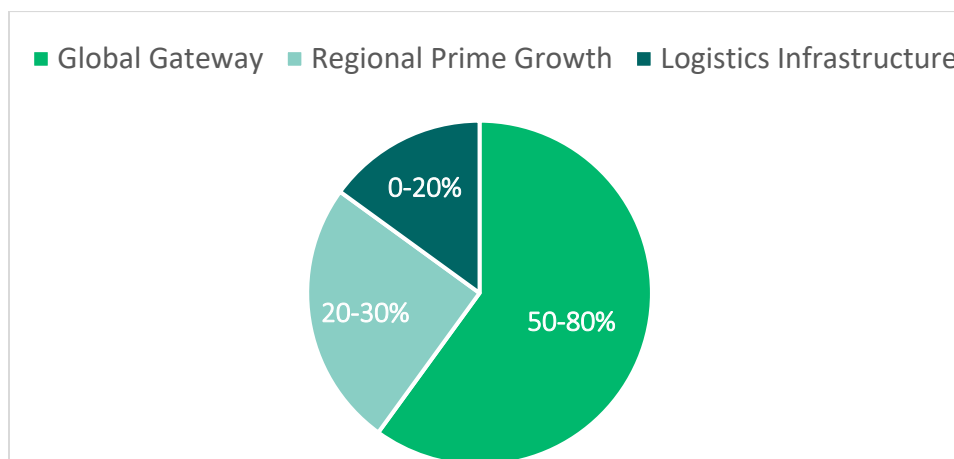
	Value Add Acquisitions	Ground-Up Development
<b>Anticipated Role in Portfolio</b>	Capital Appreciation and Cash Flow	Capital Appreciation
<b>Target % of Portfolio</b>	65-90%	10-35%
<b>Target Returns<sup>88</sup></b>	9-11% UIRR <sup>89</sup> 16-18% LIRR	11-13% UIRR 17-19% LIRR
<b>Characteristics</b>	Repositioning / re-leasing opportunities in high-barrier target markets	Infill Global Gateway Market focus, with exposure to Regional Prime Growth Markets, and high barrier-to-entry, site complexity

The General Partner will seek to acquire high-quality logistics assets at or below replacement cost. The General Partner aims to target a blend of investments across Global Gateway, Regional Prime Growth, and Logistics Infrastructure Markets to provide investors with strong risk-adjusted total returns. To realize these objectives, the General Partner will establish a target portfolio that is expected to allocate approximately 50% to 80% of equity to Global Gateway Markets, 20% to 30% of equity to Regional Prime Growth Markets, and 0% to 20% of equity to Logistics Infrastructure Markets.

<sup>88</sup> Asset allocation percentages, target returns, yield figures, hold periods and other targets or assumptions are all estimates. The targets on this page are provided to demonstrate the types of investments that the Fund will pursue and are for illustrative purposes only. They are not definitive, but are estimates and targets, which are subject to change at the discretion of Bridge and are based on factors that are outside of Bridge's control. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. Prospective investors should bear in mind that no assurance can be given that the Fund will achieve its investment objectives or its target returns. Please refer to the disclaimer at the front of this Memorandum for more important information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.

<sup>89</sup> Unlevered IRR (UIRR) is the internal rate of return excluding financing. Levered IRR (LIRR) is the internal rate of return including financing.

Figure IV.i: Target Market Allocations



#### BRIDGE'S MANAGEMENT TEAM & COMPETITIVE ADVANTAGES

The Fund is managed by the General Partner, which will make all operational and investment decisions on behalf of the Fund. The General Partner is managed by the Investment Committee, which will initially consist of Jay Cornforth, Brian Gagne, Robert Morse, Adam O'Farrell, and Jonathan Slager. The Investment Committee Members are senior real estate professionals with long tenures in the real estate industry and extensive experience investing throughout multiple investment cycles. The Investment Committee Members possess a complementary mix of skills, including investment strategy, transaction management, property and asset management, corporate operations, finance, and risk mitigation throughout all stages of the investment cycle.

The General Partner believes that it is well-positioned to execute in the logistics value sector due to the following competitive advantages:

- **Seasoned Senior Leadership & Team** – The Investment Manager's team is led by principals Jay Cornforth, Chief Executive Officer and Co-Chief Investment Officer, and Brian Gagne, Co-Chief Investment Officer, who collectively have nearly 45 years of experience developing, acquiring, leasing, and managing assets within the logistics sector. Mr. Cornforth and Mr. Gagne will be directly responsible for all facets of execution throughout the investment process. Additionally, leveraging their prior leadership experience, Mr. Cornforth and Mr. Gagne will oversee the Investment Manager's team which they have grown to 33 dedicated investment professionals, across Investments, Development, Asset Management and other critical functions to execute the Fund's strategy.
- **Reputational Strength** – The General Partner's principals are a seasoned, cycle-tested group of investment professionals with an established industry reputation for quick and reliable execution. With an expansive, established network of industry relationships, which includes principals, brokers, and end-users, the team expects to leverage its deeply focused regional coverage to establish a strategic, intentional footprint to support regional sourcing in key target markets. The General Partner believes that a regional organizational structure, ensuring a "boots-on-the-ground" approach, will translate to higher volume, high quality transactions, and swifter execution than market peers. As of June 2023, Bridge Logistics Value Fund I had \$765 million of gross assets closed or under contract, Bridge Logistics US Venture II had \$43 million of gross assets closed or under contract and the Investment Manager had \$805 million of equity commitments closed or under contract representing 8.4 million square feet at full build-out, the majority of which have been in Global Gateway markets (Dallas, Southern Florida, Southern California and North New Jersey/New York).

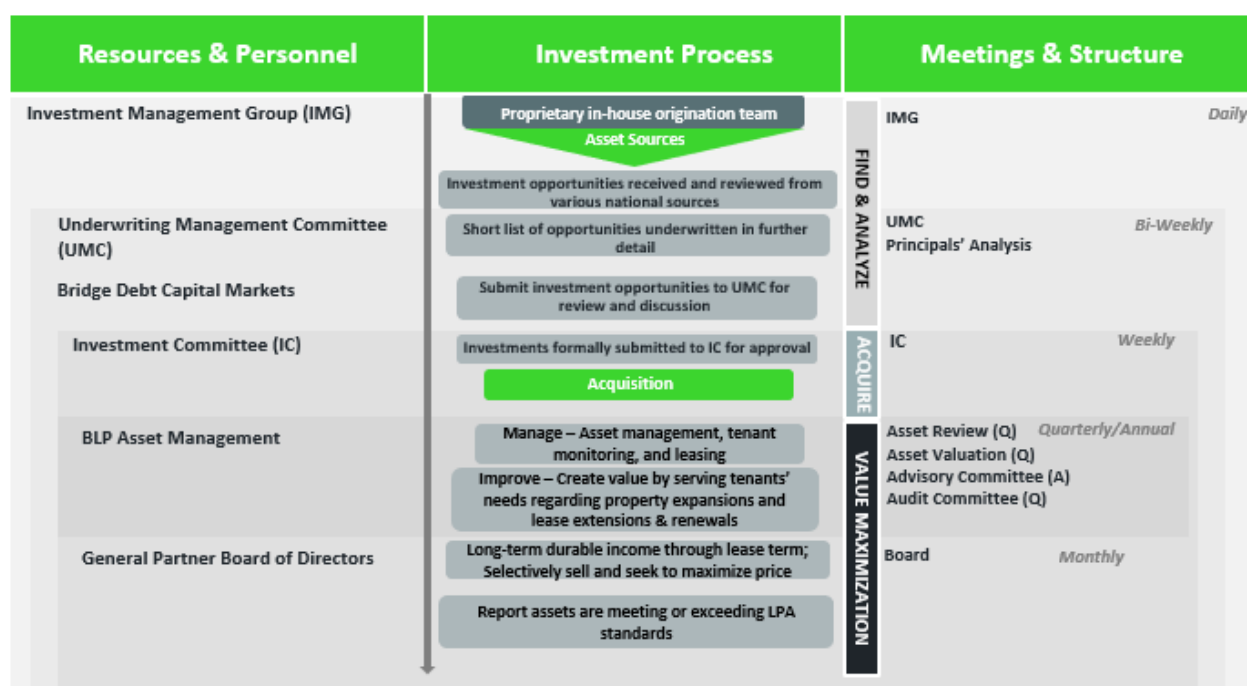
- **Sourcing Capabilities** – Given the principals’ long-standing reputation in the logistics sector, coupled with Bridge’s regionally embedded deal teams, the General Partner expects to maintain access to robust and off-market or lightly marketed deal flow from a variety of local relationships established from years of building its footprint in key logistics markets. As of January 2023, 90% of the Investment Manager’s deals were sourced off-market or in selectively marketed situations. The General Partner believes a significant majority of deals will continue to be sourced and transacted on via these channels and that Bridge’s local teams can deliver deeper and more accurate intel, enabling better investment decisions. The General Partner also believes that this depth will allow the Fund to continue identifying and acquiring attractive investments, as its local teams see subtle changes in the market first.
- **Disciplined Value Investors** – The General Partner believes that Bridge’s regional coverage model allows sourcing teams to be deeply immersed physically and in tune with tenant, ownership, and brokerage dynamics in each Target Market (as defined below). The General Partner believes that being deeply ingrained in its Target Markets allows for the quick identification of, and execution with respect to, assets where there is price dislocation, an attractive basis, and opportunity for operational upside.
- **Exemplary Development Capabilities** – The General Partner believes that Bridge is uniquely positioned to execute a selective focus on the highest barrier-to-entry industrial markets in the United States, including Los Angeles, Northern New Jersey, Dallas, and South Florida. The General Partner expects the majority of sites will be as-of-right zoning for industrial, allowing for high tempo, faster-to-market execution in tight markets and submarkets. The General Partner expects that the majority of development assets will be built on spec within low vacancy markets, but also believes that there are meaningful opportunities to capitalize on deep industry relationships and develop build-to-suit assets for high-quality tenants and customers. In each case, the General Partner will seek to apply a sustainable and innovative approach to development, including the incorporation of green materials, design, and process to “build for the future.”
- **Operational Lens with Integrated Asset and M&A Experience** – The General Partner believes the Fund will benefit from Bridge’s expansive operating experience and highly experienced in-house real estate professionals. The Investment Manager’s team’s backgrounds include a wide scope of disciplines, ranging from corporate M&A to individual asset development and operations, providing for the identification and execution of value across a diverse spectrum. Both Mr. Cornforth and Mr. Gagne benefit from having led platforms and transactions that have necessitated this corporate and asset-level expertise. The General Partner believes the combination of these proficiencies holistically will lead to optimal sourcing and execution of acquisition and development opportunities, providing the operational mindset required to reposition, rebuild, and manage assets.
- **Innovation & Sustainability** – The integration of technology and environmentally conscious elements in the development, repositioning, and operating of assets will be critical to meeting current and evolving logistics demand trends. The Investment Manager’s team has broad experience in implementing forward-thinking processes and building components, looking to meet demand necessitated by ongoing electric vehicle adoption, driverless truck advancement, and climate impact reduction, among other developing trends. The assimilation of materials, technologies, and processes will be a core focus of the General Partner in both the development and operations of the Fund’s assets.

## VI. INVESTMENT PROCESS

The Investment Manager intends to follow a rigorous investment process with respect to each investment opportunity presented to the Fund. The Investment Manager's indicative investment process is generally described below.<sup>90</sup>

### MEETING FREQUENCY AND TEAM COHESIVENESS

Execution team members follow longstanding investment policies and procedures outlined below and do so, in part, by participating in the following meetings: (i) a weekly Investment Committee meeting, (ii) a bi-weekly Underwriting Management Committee meeting, (iii) a bi-weekly operations meeting, attended by the heads of all company departments, during which all operational, financial and capital markets activities are reported and correlated; (iv) weekly pipeline meetings, one at the regional level and one at the national level, to encourage continued collaboration and proactivity around deal flow and sourcing; (v) a weekly Client Solutions Group meeting attended by all Client Solutions Group members; (vi) annual Advisory Committee Meetings; and (vii) quarterly Asset Review Committee meetings.



### CRITICAL ELEMENTS OF THE PROCESS

The Investment Manager's team has specific experience in all parts of the real estate investment process, and in areas they consider to be key success factors in achieving Bridge Logistics Value II's objectives of creating value and capital appreciation on investments. The key success factors in this process are deal sourcing; analyzing & acquiring; managing & leasing; improving & expanding; and selling. Each factor and the General Partner's intended process for achieving a successful result is summarized below.

<sup>90</sup> Not all aspects of the Investment Manager's process will necessarily occur in a linear fashion. Aspects of the investment process may vary with respect to one or more assets based on a variety of factors. The Investment Manager is permitted to modify the investment process at any time in its sole discretion.



## DEAL SOURCING

Over the last several decades, the Investment Manager believes that its managers and other principals have built strong reputations across the real estate industry in the United States as knowledgeable, well-intended, reliable transaction partners with surety of execution. Because of these reputations and the success of Bridge's past projects, Bridge personnel have developed strong relationships with each of the deal sources discussed below. The General Partner believes that these relationships will provide Bridge Logistics Value II with significant access to deal flow, as has been the case with prior Bridge-managed funds.

Additionally, the Investment Manager has hired and plans to continue to build a team that maintains the bandwidth and ability to pursue deal flow and volume that aligns with the investment strategy and objectives of the Fund.

The Investment Manager has structured its team with satellite offices in each key region so that the regional investment directors and supporting professionals can locally embed themselves in these markets to further strengthen market knowledge and relationships. The General Partner believes that Bridge Logistics Value II's regional coverage model allows sourcing teams to be deeply immersed physically and in tune with tenant, ownership, and brokerage dynamics in each target market. Given their collective tenure in the sector, principals of the Investment Manager have created and maintained strong relationships with key market players, including capital market and leasing brokers. While the team maintains connectivity with capital market brokers, the team finds acquisition and development opportunities primarily through the leasing brokers who are "at the street level" and are not typically institutionally connected. As a result, many of the transactions the Investment Manager expects to pursue will be unsolicited or warm offers, but largely what is deemed "off market" transaction activity. Because the team is ingrained within target markets, the General Partner believes that team members can quickly identify assets where there is price dislocation, an attractive basis and opportunity for operational upside.

(1) Existing Asset Owners: The General Partner expects that Bridge Logistics Value II will have continued access to significant off-market deal-flow by transacting directly with owners as there is relatively lower institutional ownership and there are more unsophisticated property owners in the logistics sector, which creates a value opportunity. As the logistics market is very relationship-based, the Investment Manager's team members are active within their designated regions to understand the ownership landscape and build trusted relationships with asset owners.

(2) Street Brokers: The General Partner will heavily leverage its relationships with "street brokers" (i.e., leasing and land brokers who work directly with owners) in scenarios where the General Partner requires an introduction to an owner. The General Partner anticipates that this will be the largest channel and source for off-market deal flow. As a result of the presence of the Investment Manager's team in the industry, the team has built deep relationships with this network, which has led to robust non-solicited deal flow and offers. The Investment Manager structured its team intentionally to enable professionals within each region to be on the ground, fostering these curbside relationships and continuing to create new ones.

(3) Investment Brokers: While the General Partner maintains strong relationships with capital markets brokers within the logistics industry, the General Partner expects that deal flow through this channel will be less common than the above-mentioned channels, particularly as the General Partner believes that it can capitalize on opportunities for price dislocation and operational upside when working with local, owner-focused counterparties as noted above.

## ANALYZING & ACQUIRING<sup>91</sup>

The General Partner believes that the Investment Manager's team provides Bridge Logistics Value II with a differentiated and valuable skill set for evaluating investment opportunities. The Investment Committee intends to generally meet on a weekly basis, with the members contributing an effective mixture of both bottom-up and top-down analytical skills and experience.

The Investment Committee Members have extensive experience in bottom-up real estate analysis of virtually every type and level of completion. The Investment Committee Members, together with various other principals of Bridge, collectively have complementary high-level skills and experience in, and access to, top-down analysis, financing, real estate operations, and construction in order to evaluate and underwrite investments.

The General Partner believes that the principals of the Investment Manager have a long and demonstrable track record for establishing rigorous due diligence processes for the acquisition of attractive real estate assets, and that Bridge Logistics Value II will benefit from similarly disciplined processes.

Bridge Logistics Value II emphasizes high-tempo execution to be a first mover and achieve faster-to-market results. Once the Investment Manager initially screens a property, and completes the preliminary due diligence and underwriting, including appropriate adjustments in operating assumptions based on the market and operating experience of the Investment Manager, the Investment Manager will negotiate a letter of intent (an "LOI") with the seller, and will work with counsel to negotiate the purchase agreement. Upon completion of this negotiation, the Investment Committee will assign the task of completing the post-LOI due diligence process to the appropriate individuals – including completion and/or execution of the documents below (as applicable).

### Indicative Due Diligence Process

1) Purchase and Sale Agreement: The Investment Committee will generally assign a team member to prepare the purchase and sale agreement with the assistance of counsel and to open an escrow account with a qualified title company.

2) Physical Analysis Report: The management team will generally inspect each parcel of land to be acquired, including each structure thereon, all relevant amenities and the grounds, and complete a survey of all relevant physical items to determine levels of condition, including any deferred maintenance or market obsolescence, along with pertinent considerations for zoning or government regulations. To the extent possible and appropriate, relevant third-party reports will be commissioned and reviewed, and include (i) preliminary title report; (ii) survey; (iii) appraisal; (iv) Phase I and, when necessary, Phase II environmental reports; and (v) property condition reports, including applicable ESG status items.

3) Competitive Market Analysis: The Investment Manager's due diligence team assigned to the property will generally survey comparable properties utilizing third-party and manager-generated market assessments or direct observation of comparable properties and through discussions with on-site property management personnel with the objective of understanding the reputation of the target property and the impact of competitive properties on the potential for increases in rents, occupancy rates, and cash flow, given varying levels of operational adjustments, physical improvements, and market dynamics.

4) Market and Demographic Trends: The Investment Manager assesses various trends, including new supply data, such as permits and approvals for new construction relative to population; household formation; wage growth; job creation; rent growth; and occupancy gains relative to market absorption expectations. This data is compiled and analyzed by Bridge's research team and provided to investment teams via proprietary data analytics. Such data is typically supported by third-party research reports as well as discussions with local associations, brokers,

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<sup>91</sup> Bridge may deviate from the procedures stated herein in its sole discretion.

and property managers. This data analysis would then be evaluated by the Investment Manager, based on experience and understanding of the particular market in question. Once this information has been compiled and reviewed by the Investment Manager, the Investment Manager is then responsible for developing the asset's business plan.

5) Joint Venture Agreement: The Investment Manager may elect to pursue transactions in conjunction with an operating partner. In such a scenario, the Investment Manager will enter into a joint venture agreement with such operating partner that will provide for, among other details, a business purpose for the venture, a division of roles and responsibilities, agreement on how to conduct the daily operations of the venture, venture economics, governance and dispute resolution. The principals of the Investment Manager have extensive experience in the negotiation and operation of such joint venture agreements.

6) Business Plan: In the final step, the Investment Manager will generally prepare a detailed business plan and pro forma financial forecast that outlines its vision for the acquisition and its recommendations to capitalize on the asset's investment opportunities. The business plan typically includes financial expectations and pro forma, an overview of the demographic drivers, a summary market comparison and specific capital and operating assumptions as well as expected investment and disposition timeframes.

## **MANAGING & LEASING**

The Investment Manager knows from experience that one of the most important success factors in real estate investing is the proper execution of the business plan at the property level. The General Partner may decide to leverage Bridge's internal operating platform (Bridge Commercial Real Estate LLC) from time-to-time, but expects to predominantly utilize trusted third parties for management and leasing services. Given the tenure and experience of the Investment Manager's team members managing assets and companies over the last several decades, the Investment Manager not only has the direct experience building teams to operate assets and businesses, but also has formed key third-party relationships within the industry, identifying those which can appropriately support and actively oversee the assets acquired and developed by the Partnership. The General Partner believes that by holistically leveraging its background, key relationships and experiences, and the resources and infrastructure at Bridge, it will effectively manage the strategy and Partnership, creating value at the asset and portfolio level for investors.

## **IMPROVING & EXPANDING**

The Investment Manager intends to maintain and enhance the value of Fund investments, including assessing the merits of investing in building improvements and expansion opportunities at the property level to improve tenant retention and asset value. The General Partner believes that the Investment Manager's team can maximize current and long-term property yields by optimizing the desirability of long-term tenancy in Fund assets. While cultivating the intrinsic value of the underlying real estate, the General Partner believes these improvement and expansion opportunities provide a competitive advantage for the Fund through addressing tenants' business needs, and providing the opportunity for adaptive inventory, which allows the General Partner to increase rents and occupancy. Through these endeavors, the General Partner will seek to maximize property value throughout the ownership life cycle.

## **SELLING**

Although the disposition process is the final essential activity necessary to realizing the investment value built during ownership of the asset, one of the General Partner's core guiding principles is to identify potential exit strategies even before acquisition.

Once the General Partner, based on the recommendation of the Investment Manager, approves the price range for potential asset sales, the General Partner will seek to obtain the highest value by: (i) establishing a disposition team that will select from among the leading brokers in the applicable market to list and market the property; (ii)

overseeing the preparation of the sales package; and (iii) working with the selected broker to determine the most effective marketing and advertising strategy.

Once the property has had the appropriate level of exposure to potential buyers, the General Partner may set a date for the submission of offers and qualified buyers are invited to submit “best and final” offers. The General Partner, taking into consideration the recommendations of the Investment Manager, will then determine the most attractive offer based on price as well as the qualifications of, and initial underwriting completed by, a qualified prospective buyer. The General Partner may also consider qualified off-market offers for assets and may accept such offers if the General Partner determines that doing so would be beneficial to the Fund.

The General Partner will then work with legal counsel and the buyer to negotiate an acceptable purchase and sale agreement. The Investment Manager’s disposition team, with in-house support and external vendor asset managers, will support the due diligence needs of the buyer and, with the approval of the General Partner after considering recommendations from the Investment Manager, will coordinate the negotiations through to a final closed transaction.

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## VII. THE GENERAL PARTNER, THE INVESTMENT MANAGER AND MANAGEMENT OVERVIEW

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The Partnership is managed by the General Partner. The General Partner has engaged the Investment Manager on behalf of the Limited Partners to serve as the investment manager for the Partnership. The Investment Manager makes recommendations to the Investment Committee of the General Partner, which is required to review and approve all investment decisions for the Partnership.

The Investment Manager serves as the investment manager of the Partnership and other investment vehicles that may be formed in the future. The Investment Manager is majority owned by Bridge (through Bridge Fund Management Holdings LLC), with a minority ownership held by certain principals of the Investment Manager (through Bridge Logistics Properties Employee Holdco LLC). The parent company of Bridge is Bridge Investment Group Holdings Inc. (NYSE: BRDG). The Partnership's General Partner, Bridge Logistics Value Fund II GP LLC, is currently majority owned by the owners of the Investment Manager.

The Partnership is one of a series of funds affiliated with Bridge. The other funds as of the date hereof are:

### Bridge Logistics Value Fund<sup>92</sup>

- Bridge Logistics Value Fund I, which raised approximately \$336 million in capital commitments;

### Bridge Multifamily Funds

- Real Estate Opportunity Capital Fund LP ("Bridge Multifamily Fund I"), which raised approximately \$124 million in capital commitments and \$13 million in co-investment capital and has been fully realized;
- Bridge Multifamily & Commercial Office Fund II LP (together with its parallel vehicles, "Bridge Multifamily Fund II"), which raised approximately \$596 million in capital commitments and has been fully realized;
- Bridge Multifamily & Commercial Office Fund III LP (together with its parallel vehicles, "Bridge Multifamily Fund III"), which raised approximately \$912 million in capital commitments and \$223 million in co-investment capital;
- Bridge Multifamily Fund IV LP (together with its parallel vehicles, "Bridge Multifamily Fund IV"), which raised approximately \$1.59 billion in capital commitments;
- Bridge Multifamily Fund V LP (together with its parallel vehicles, "Bridge Multifamily Fund V"), which raised approximately \$2.26 billion in capital commitments;

### Bridge Seniors Housing Funds

- Bridge Seniors Housing & Medical Properties Fund LP (together with its parallel vehicles, "Bridge Seniors Fund I"), which raised approximately \$579 million in capital commitments and \$159 million in co-investment capital;
- Bridge Seniors Housing & Medical Properties Fund II LP (together with its parallel vehicles, "Bridge Seniors Fund II"), which raised approximately \$820 million in capital commitments and \$275 million in co-investment capital;
- Bridge Seniors Housing Fund III LP (together with its parallel vehicles, "Bridge Seniors Fund III"), which raised approximately \$48 million in capital commitments and \$75 million in co-investment capital;

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<sup>92</sup> Bridge Logistics US Venture II had its initial closing in May 2023 for an aggregate of approximately \$141 million of capital commitments.

### Bridge Debt Funds

- Bridge Debt Strategies Fund LP (together with its parallel vehicles, "Bridge Debt Strategies Fund I"), which raised approximately \$132 million in capital commitments and \$301 million in co-investment capital;
- Bridge Debt Strategies Fund II LP (together with its parallel vehicles, "Bridge Debt Strategies Fund II"), which raised approximately \$1 billion in capital commitments and \$940 million in co-investment capital;
- Bridge Debt Strategies Fund III LP (together with its parallel vehicles, "Bridge Debt Strategies Fund III"), which raised approximately \$1.62 billion in capital commitments and \$745 million in co-investment capital;
- Bridge Debt Strategies Fund IV LP (together with its parallel vehicles, "Bridge Debt Strategies Fund IV"), which raised approximately \$2.91 billion in capital commitments and \$715 million in co-investment capital;
- Bridge Debt Strategies Fund V LP (together with its parallel vehicles, "Bridge Debt Strategies Fund V"), which is a closed-end fund and is expected to have its first closing in late 2023;
- Bridge Agency MBS Fund LP (together with its parallel vehicles, "Bridge Agency MBS Fund"), which is an open-ended fund that has raised approximately \$349 million in capital commitments;

### Bridge Office Funds

- Bridge Office Fund LP (together with its parallel vehicles, "Bridge Office Fund I"), which raised approximately \$573 million in capital commitments and \$178 million in co-investment capital;
- Bridge Office Fund II LP (together with its parallel vehicles, "Bridge Office Fund II"), which raised approximately \$208 million in capital commitments and \$25 million in co-investment capital;

### Bridge Workforce and Affordable Housing Funds

- Bridge Workforce and Affordable Housing Fund LP (together with its parallel vehicles, "Bridge Workforce Fund I"), which raised approximately \$619 million in capital commitments;
- Bridge Workforce and Affordable Housing Fund II LP (together with its parallel vehicles, "Bridge Workforce Fund II"), which raised approximately \$1.74 billion in capital commitments;

### Bridge Opportunity Zone Funds

- Bridge Opportunity Zone Fund LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund I"), which raised approximately \$509 million in capital commitments;
- Bridge Opportunity Zone Fund II LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund II"), which raised approximately \$441 million in capital commitments;
- Bridge Opportunity Zone Fund III LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund III"), which raised approximately \$1.03 billion in capital commitments; and
- Bridge Opportunity Zone Fund IV LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund IV"), which raised approximately \$1.51 billion in capital commitments;
- Bridge Opportunity Zone Fund V LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund V"), which raised approximately \$564 million in capital commitments;
- Bridge Opportunity Zone Fund VI LP (together with its parallel vehicles, "Bridge Opportunity Zone Fund VI"), which is a closed-end fund and had its initial closing in April 2023;

### Bridge Net Lease Income Fund

- Bridge Net Lease Income Fund LP (together with its parallel vehicles, "Bridge Net Lease Income Fund"), which is an open-ended fund that has raised approximately \$271 million;

### Bridge Single-Family Rental Fund

- Bridge Single-Family Rental Fund IV LP (together with its parallel vehicles, "Bridge Single-Family Rental Fund IV"), which had its initial closing in January 2022;

### Bridge Solar Fund

- Bridge Solar Energy Development Fund LP ("Bridge Solar Fund"), which is a closed-end fund and had its initial closing in March 2023;

### Bridge Ventures Fund

- Bridge Investment Group Ventures Fund LP ("Bridge Ventures Fund"), which is a closed-end fund and had its initial closing in June 2023; and

### Bridge Secondaries Fund

- Newbury Equity Partners VI L.P. ("Bridge Secondaries Fund"), which is a closed-end fund and had its initial closing in June 2023.

Bridge has approximately \$48.8 billion in assets under management<sup>93</sup> as of March 31, 2023. As a subsidiary of Bridge, the Investment Manager has access to the back-office employees and operational staff of Bridge and its affiliated companies, which currently employ approximately 2,225<sup>94</sup> employees nationwide, providing the Investment Manager with extensive experience and relationships in these real estate sectors. The General Partner believes the depth and breadth of these resources provides the Partnership with the resources necessary to be able to achieve its investment objectives. The General Partner believes that the performance history of Bridge's predecessor funds demonstrates the effectiveness of this cooperative, cross-fund resource sharing, which it intends to replicate for the Partnership.

## THE GENERAL PARTNER

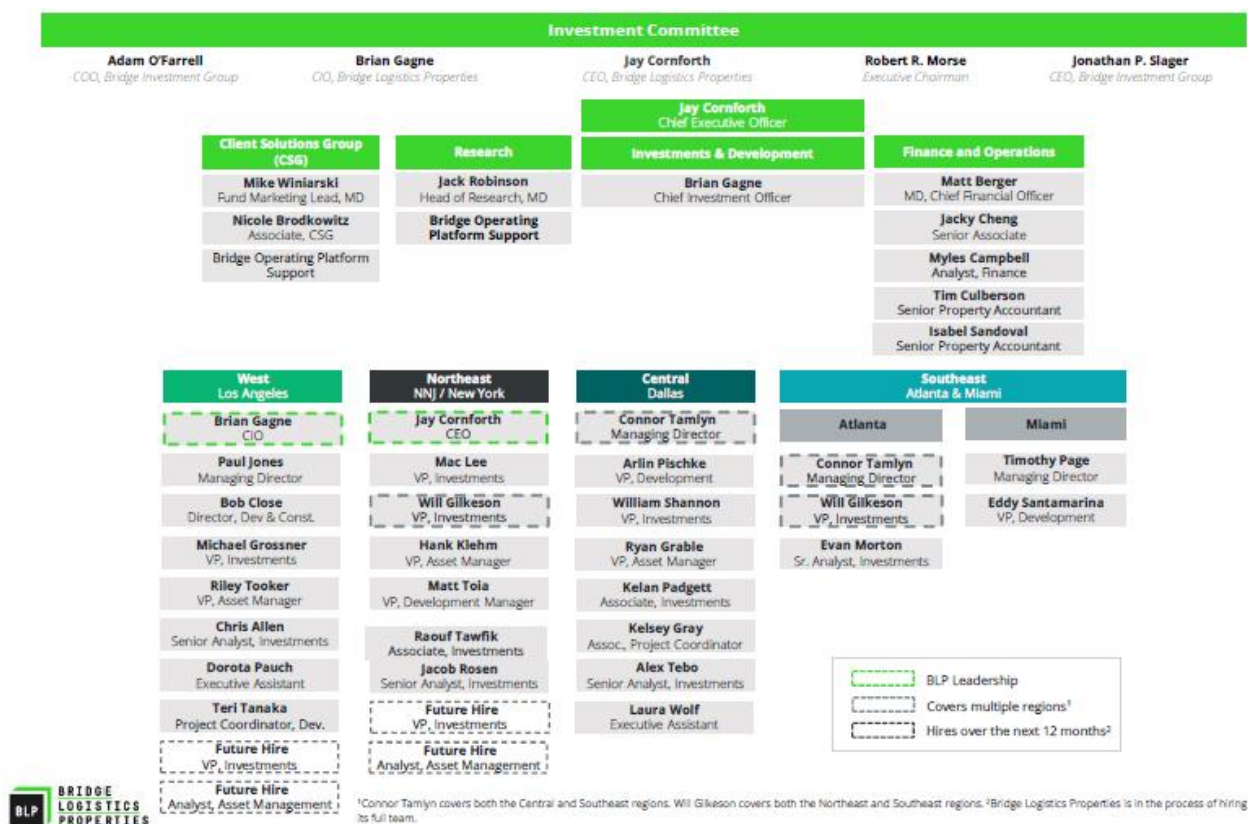
### Overview

The General Partner of the Partnership is Bridge Logistics Value Fund II GP LLC. The General Partner is managed by the Investment Committee. The General Partner has engaged the Investment Manager to recommend investment opportunities to the Partnership; *provided, however*, the General Partner will make all operational and investment decisions on behalf of the Partnership. Once an investment recommendation is received from the Investment Manager, the Investment Committee of the General Partner will evaluate the investment opportunity to determine whether the Partnership should consider the Investment. The Partnership's investment decisions will be made at the sole discretion of the General Partner. The organization and leadership of the Investment Committee and Investment Manager is summarized below.

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<sup>93</sup> Estimated assets under management includes joint venture commitments.

<sup>94</sup> Plus approximately 3,000 professionals employed through a professional employment organization at sites managed by Bridge Senior Living.



## Investment Committee of the General Partner

After the Investment Manager makes recommendations to the General Partner, the Investment Committee meets to evaluate those recommendations, generally on a weekly basis and more frequently as required, to review and approve all investment decisions for the Partnership, including the evaluation, selection, negotiation, acquisition, and disposition of assets. The Investment Committee currently consists of Mr. Cornforth, Mr. Gagne, Mr. Morse, Mr. O'Farrell, and Mr. Slager. The Investment Committee is the ultimate decision-making body for the management of the General Partner. The Investment Committee Members represent a multi-disciplined group of high level and seasoned real estate professionals, private equity fund managers, and investment professionals, as described in the biographical information below.

**Jay Cornforth**, 57, serves as Chief Executive Officer and Co-Chief Investment Officer for the Investment Manager. For most of his career, Mr. Cornforth has focused on the industrial warehouse space, in which he has over 25 years of experience. Prior to joining Bridge, Mr. Cornforth was Managing Partner, Global Head of Logistics at Brookfield Asset Management ("Brookfield") from 2013 to 2021. At Brookfield, Mr. Cornforth oversaw Logistics investments in Brazil, Korea, China, and Western Europe, in addition to the USA. From 2014 to 2016, Mr. Cornforth also served as CEO of IDI Logistics LLC ("IDI Logistics"), a Brookfield-owned operating company, while he was Global Head of Logistics at Brookfield. During Mr. Cornforth's time at Brookfield, he oversaw capital deployment of over \$8 billion in new investments representing 90 million square feet of building acquisitions and 40 million square feet of development starts. During his tenure at Brookfield, realized asset disposition totaled \$2.8 billion, and corporate investment activity totaled \$2.5 billion in acquisitions and \$6.4 billion in dispositions. Also during his tenure, Mr. Cornforth managed the operations and growth of Gazeley Ltd. in Europe and IDI Logistics in the United States. He also successfully oversaw the launch of the Brookfield Logistics Properties platform following the sale of IDI Logistics in 2018. In the United States, the Brookfield Logistics Properties platform as of Q2, 2021 had grown to include an operating portfolio of over 30 million square feet and a CIP land bank (Construction in Progress) over 10 million square feet. In 2020 alone, the Brookfield Logistics Properties platform invested over \$1 billion in new asset investments and committed, through



land acquisitions and planned building starts, an additional \$1 billion of capital. In 2020, the Brookfield Logistics Properties platform closed on 49 distinct and separate investments. Before his role at Brookfield, Mr. Cornforth worked at AMB Property Corporation/Prologis from 2003 to 2013 (AMB merged with ProLogis in 2011), where he was President of the East Region of the United States from 2007 to 2013. In his capacity, Mr. Cornforth oversaw all capital deployment activities (building acquisitions and development starts) and operations in the region. At Mr. Cornforth's departure, the East Region of Prologis contained an operating portfolio of over 120 million square feet in a vertically integrated organizational structure spread across 10 field offices. From 2003 to 2006, Mr. Cornforth was responsible for AMB's development activities in the East Region, which on average invested over \$500 million annually in capital deployment. Mr. Cornforth began his industrial investment career with Cabot Industrial Trust in 1998, and its successor company Cabot Properties, where he held national development duties working alongside Gene Reilly, the current CIO at Prologis. Mr. Cornforth previously worked at AEW Capital Management in various roles in portfolio management and investments. Mr. Cornforth grew up in Montreal, Canada and received a Bachelor of Arts degree from the University of Western Ontario and a Master of Science in Real Estate Development at New York University.

**Brian Gagne**, 43, serves as Co-Chief Investment Officer for the Investment Manager. Mr. Gagne joined Brookfield in 2015 and his first post was to lead the Western Region for IDI Logistics. As Market Officer for the West Region, he was responsible for all investments, asset management and development activities in that region. Mr. Gagne was critical to the stabilization of the portfolio while also building AUM in California through existing building investments, spec development and BTS transactions. During Mr. Gagne's tenure, IDI Logistics' portfolio concentration for Southern California went from 5% to over 25% of total AUM between 2015 and 2017. In 2017 prior to the sale of IDI Logistics, Mr. Gagne was re-assigned to Brookfield Properties Logistics in order to build out and lead the U.S. investments team. From 2017 to 2021, Mr. Gagne deployed over \$4 billion into acquisition and development opportunities that aligned with Brookfield Value and Core-Plus funds. Over 75% of that investment activity was in the high barrier Southern California, New York / New Jersey, Dallas and South Florida markets. Prior to joining Brookfield, Mr. Gagne was at KTR Capital Partners ("KTR"), a private logistics platform founded by principals of Keystone Property Trust. Mr. Gagne joined KTR shortly after their formation in 2005 and saw the company grow from 0 to 75 million square feet over a decade. At the age of 27, Mr. Gagne was made Partner at KTR and was selected to open the company's west coast office and lead their west coast investment efforts. KTR was primarily an east coast focused entity and Mr. Gagne successfully pivoted the company to a national investor profile. He acquired or developed over \$2 billion of assets from Los Angeles to Seattle prior to the sale of KTR in June 2015 to Prologis. Prior to KTR, Mr. Gagne worked at New Dover Associates, a real estate brokerage representing tenants and landlords in both commercial and industrial spaces. Mr. Gagne started his career as an analyst at Lehman Brothers New York. Mr. Gagne holds a Bachelor of Science degree in Business Administration from Babson College.

**Robert Morse**, 67, has served as Executive Chairman of Bridge since 2012. He has over 30 years of experience in finance, banking, and private equity fund management. Mr. Morse serves on the investment committees for all of Bridge's investment vehicles in addition to his responsibilities as Executive Chairman in helping to develop strategy and growth opportunities for Bridge. Mr. Morse served as Chairman and Co-Chief Executive Officer of PMN Capital, a private equity firm based in Hong Kong, from January 2009 to January 2012 and as Chief Executive Officer of Citigroup's Asia Institutional Clients Group from April 2004 to October 2008, where, among other duties, he provided direct management oversight of Citigroup's \$5 billion of proprietary capital. Mr. Morse made investments on behalf of Citigroup clients across multiple asset classes, including equities (public and private), corporate acquisitions, distressed and mezzanine debt and real estate. At the time, Citigroup's Asian institutional businesses included corporate banking, investment banking, markets and transaction services in 17 countries employing over 14,000 employees. From 1999 to 2004, Mr. Morse served as the Co-Head and then Head of Global Investment Banking for Citigroup. He previously held a variety of senior positions since joining Salomon Brothers in 1985. Additionally, Mr. Morse was a co-founder of SSB Capital Partners, a \$400 million private equity fund formed in 2000. Since February 2013, Mr. Morse has served on the board of directors of Amkor Technology, Inc. (Nasdaq: AMKR). Mr. Morse also serves on a variety of charitable organization boards, including the Yale President's Council on International Activities as Chairman, the Yale School of Management Board of Advisors, the Whitney Museum Directors Council and the Grand Teton National Park Foundation Resource Council. Mr. Morse received his Bachelor of Arts from Yale College, Phi Beta Kappa and magna cum laude, his Master of Business Administration from Harvard Business School

and his Juris Doctor from Harvard Law School.

**Adam O’Farrell**, 49, serves as Chief Operating Officer and a Director of Bridge. Mr. O’Farrell is also a member of the investment committees of various Bridge-managed funds, including Bridge Debt Strategies Funds, Bridge Opportunity Zone Funds and Bridge Logistics Value Funds. Mr. O’Farrell has more than 20 years of experience as a real estate investment management attorney with significant private equity, real estate and tax experience and a broad transactional legal background. Mr. O’Farrell joined Bridge as General Counsel in January 2012 and was responsible for all legal affairs of Bridge, its affiliates and managed funds until 2021. In January 2020, Mr. O’Farrell was promoted to Chief Operating Officer and in that role has direct supervision and responsibility for all Bridge infrastructure departments and is a member of the firm’s Senior Management and Strategy Committees. Prior to joining Bridge, Mr. O’Farrell worked at several international law firms, including Foley & Lardner LLP, Morrison & Foerster LLP and Latham & Watkins LLP. He began his legal career as a tax attorney and focused his practice on advising private equity and real estate clients. Mr. O’Farrell received his Bachelor of Science degree and Master of Accountancy with an emphasis in Taxation from the Marriott School of Management at Brigham Young University and his Juris Doctor from the J. Reuben Clark Law School, Brigham Young University.

**Jonathan Slager**, 62, is Chief Executive Officer of Bridge and has been with Bridge since 2011, in roles including Chief Investment Officer and Co-Chief Executive Officer prior to his current role as Chief Executive Officer of Bridge. Mr. Slager currently serves on the investment committees for the general partners of Bridge Multifamily Funds III, IV (for which he also serves as the Chief Investment Officer) and V, Bridge Workforce Funds I and II, Bridge Seniors Housing Funds I, II and III, Bridge Office Funds I and II, Bridge Opportunity Zone Funds I, II, III, IV, V and VI, and Bridge Agency MBS Fund. He has over 35 years of experience in the real estate, finance, and software industries. Mr. Slager has been involved in underwriting, acquiring, and managing over \$15 billion in assets including all assets of the prior Bridge-managed funds, and has been a key driver of asset executions and returns. From 2005 to 2009, Mr. Slager worked with The Pacific Group USA, Inc., and from 2006 to 2017 was a principal and managing partner at Bridge Loan Capital Fund LP. He has been responsible for major acquisitions, development, and entitlements and financing of major real estate projects. Mr. Slager worked for several years at The Koll Company and then Wells Fargo Bank where he was responsible for the acquisition, development, asset management, and disposition of commercial real estate assets. Mr. Slager played the leading role on large institutional commercial real estate projects ranging from resort, residential, office, industrial and retail projects. Mr. Slager earned his Bachelor of Arts in English, Phi Beta Kappa and cum laude, from the University of Utah in 1981, and his Master of Business Administration in Finance and Marketing from New York University in 1985.

## **Investment Committee Oversight of Investment Process**

The General Partner’s Investment Committee Members, whose biographies are set forth above, are responsible for the approval and implementation of investment decisions by the General Partner on behalf of the Partnership. The Investment Committee will then delegate to the execution team for the Partnership, which is comprised of seasoned real estate investment professionals with experience in all stages and aspects of the real estate evaluation, analysis, acquisition, management and disposition processes, the steps required to execute and manage the investment decision made by the General Partner. The members of the execution team will monitor each Investment through frequent contact with the managers responsible for the day-to-day management of each property.

## **INVESTMENT MANAGER ORGANIZATIONAL STRUCTURE**

### **Focus, Depth and Consistency**

All of the members of the execution team for the Partnership, as shown in the organizational chart above, are currently full-time salaried employees, and are responsible for managing investments and daily operations of the Partnership and its Investments.

The execution team for the Partnership includes the core group of individuals responsible for investment management of the multifamily assets in Bridge Multifamily Funds I, II, III, IV and V and Bridge Workforce Funds I and

II, the office assets in Bridge Multifamily Funds I, II, and III and Bridge Office Funds I and II, and the seniors housing assets in Bridge Seniors Funds I, II and III, including their successful mobilization of funds, management of assets and delivery of returns to investors. The managers and other principals of the Investment Manager are individuals who have extensive experience and who have developed expertise in their respective functional responsibilities.

### **Other Investment Management Experience**

In addition to the funds set forth above, the managers and other principals of Bridge have historically been or are now associated with the following affiliates:

**Bridge Investment Group** – Bridge Investment Group Holdings LLC, a Delaware limited liability company, is the indirect owner of the Investment Manager. The parent company of Bridge is Bridge Investment Group Holdings Inc. (NYSE: BRDG). Bridge is also invested in other partnerships, an insurance captive, a mortgage brokering business, third-party multifamily and office property managers, and other commercial real estate-related businesses. Bridge has approximately \$48.8 billion in assets under management<sup>95</sup> and a nationwide team of approximately 2,225 employees.<sup>96</sup> The General Partner believes that Bridge’s network is well-versed in the local markets, providing the Investment Manager and its affiliates a valuable resource for local market intelligence (such as leasing activity, sub-market occupancy, valuation, employment and demographic trends, local government redevelopment initiatives, capital improvement needs and physical security issues).

**Bridge Property Management** – Bridge Property Management, L.C. (“BPM”), is a wholly owned subsidiary of Bridge Multifamily Fund Manager. BPM is a residential real estate property management company that currently serves as the property management company for substantially all of the multifamily properties owned by Bridge Multifamily Funds III, IV and V and Bridge Workforce Funds I and II. As of March 31, 2023, BPM employs approximately 1,300 people and manages over 54,000 multifamily units.

**Bridge Commercial Real Estate** – Bridge Commercial Real Estate LLC (“BCRE”) is a wholly owned subsidiary of Bridge Office Fund Manager. BCRE is a commercial office property management and leasing brokerage company that currently serves as property manager and leasing broker for substantially all of the office properties owned by Bridge Multifamily Funds II and III and Bridge Office Funds I and II. As of March 31, 2023, BCRE managed over 12.8 million square feet of office space and had approximately 160 employees.

**Bridge Senior Living** – Bridge Senior Living LLC (“Bridge Senior Living”), formerly known as Somerby Senior Living Services, LLC, is a wholly owned subsidiary of Bridge Seniors Housing Fund Manager. Bridge Senior Living is a seniors housing property manager and currently manages seniors housing properties owned by Bridge Seniors Funds I, II and III. As of March 31, 2023, Bridge Senior Living managed 4,278 seniors housing units.

**Bridge Fund Financial Services** – Bridge Fund Financial Services LLC (“BFFS”) is a wholly owned subsidiary of Bridge. BFFS provides various fund administration services, including with respect to fund books and records, audit coordination, and investor services. The General Partner expects to engage BFFS to provide such fund administration services to the Fund, for which the Partnership would pay fees.

**Bridge Debt Capital Markets** – Bridge Debt Capital Markets LLC (“Bridge Debt Capital Markets”), is a mortgage brokering and debt placement company founded in 1999. Bridge Debt Capital Markets is a wholly owned subsidiary of Bridge. Bridge Debt Capital Markets has been instrumental in helping Bridge Multifamily Funds III, IV and V, Bridge Workforce Funds I and II, Bridge Office Funds I and II, Bridge Seniors Funds I, II and III, Bridge Opportunity Zone Funds I, II, III, IV, V and VI and Bridge Single-Family Rental Fund IV to acquire what Bridge believes is attractively termed and priced floating-rate and fixed-rate financing from various financial institutions. The General Partner may engage Bridge Debt Capital Markets to help the Partnership acquire debt financing for Investments, for which the Partnership

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<sup>95</sup> As of March 31, 2023. Estimated assets under management includes joint venture commitments.

<sup>96</sup> Plus approximately 3,000 professionals employed through a professional employment organization at sites managed by Bridge Senior Living.

would pay fees.

## THE COMMITTEES AND FUNCTIONAL GROUPS OF THE INVESTMENT MANAGER

The Investment Manager has formed various committees and functional groups of professionals to facilitate the efficient performance of its activities, as described below:

### Executive Administration Group

The Executive Administration Group of the Investment Manager is responsible for (i) overseeing the performance of the various administrative functions necessary for the day-to-day operations of the Investment Manager from time-to-time, (ii) preparing reports on the performance of third-party service providers engaged by the Investment Manager in fulfilling its obligations to the Partnership, (iii) supervising the administrative functions performed, (iv) providing strategic planning services and (v) evaluating the prior strategies employed by the Investment Manager. The key members of the Executive Administration Group of the Investment Manager are:

Name	Position
Jonathan Slager	Chief Executive Officer, Bridge
Katherine Elsnab	Chief Financial Officer, Bridge
Jared Forsgren	Chief Compliance Officer, Bridge
Matthew Grant	General Counsel, Bridge
Adam O'Farrell	Chief Operating Officer, Bridge
Jay Cornforth	Chief Executive Officer, Bridge Logistics Properties
Brian Gagne	Chief Investment Officer, Bridge Logistics Properties

For the biographical information of Mr. Slager, Mr. O'Farrell, Mr. Cornforth and Mr. Gagne, see “ – The General Partner – Investment Committee of the General Partner” above. Biographical information for the other members of the Executive Administration Group follows:

**Katherine Elsnab**, 43, serves as the Chief Financial Officer and Chief Accounting Officer of Bridge. Previously, Ms. Elsnab served as Bridge's Corporate Controller since she joined Bridge in December 2018. Prior to joining Bridge, Ms. Elsnab was an auditor with Ernst & Young, LLP for 16 years, serving clients primarily in the real estate and financial services industries. Ms. Elsnab earned a Bachelor of Science with Special Attainment in Commerce with a double major in business administration and accounting and history from Washington and Lee University and is a Certified Public Accountant in the State of Utah.

**Jared Forsgren**, 37, serves as Assistant General Counsel and Chief Compliance Officer of Bridge. Mr. Forsgren is a corporate and securities attorney with significant experience in SEC compliance and reporting, private equity, public and private securities offerings, corporate governance and other transactional matters. Prior to assuming his current role as Chief Compliance Officer in March 2021, Mr. Forsgren served as Corporate Counsel at Bridge, beginning in March 2019. Before joining Bridge, Mr. Forsgren was an associate in the corporate and securities group at Perkins Coie LLP from May 2016 to March 2019, where he advised on public and private debt and equity offerings, SEC reporting and compliance, corporate governance, and mergers and acquisitions. From May 2013 to May 2016, Mr. Forsgren was Corporate Counsel at Lattice Semiconductor Corporation (Nasdaq: LSCC), where he advised on corporate, commercial, and compliance matters. Mr. Forsgren is a member of the Oregon and Utah Bar Associations. Mr. Forsgren received his Bachelor of Arts degree in Finance and Juris Doctor from the University of Utah.

**Matthew Grant**, 39, serves as General Counsel of Bridge. Mr. Grant has more than 10 years of experience as a real estate investment management attorney with significant experience in private equity, REITs, corporate governance, capital markets and mergers and acquisitions. Prior to assuming his current role as General Counsel in January 2021, Mr. Grant served as Assistant General Counsel of Bridge beginning in June 2016. From March 2015 to June 2016, Mr. Grant was Vice President, Associate General Counsel and Secretary for ShopCore Properties (formerly Excel Trust, Inc.), a retail real estate investment management company, where he was responsible for acquisitions,

dispositions, leasing, joint ventures and development matters and helped guide Excel's transition from a publicly traded REIT to a private portfolio company owned by affiliates of The Blackstone Group Inc. From October 2011 to March 2015, Mr. Grant worked at Latham & Watkins LLP as an associate in the corporate group, where he advised public REITs, private equity fund sponsors and various other clients in a wide range of transactional and regulatory compliance matters. Mr. Grant is a member of the California and Utah Bar Associations. Mr. Grant received his Bachelor of Science and Bachelor of Arts degrees in Mathematics and Economics from the University of Utah, his Juris Doctor from the University of Pennsylvania Law School, and his Master of Business Administration from the Wharton School of the University of Pennsylvania with a concentration in finance.

## Client Solutions Group

The Client Solutions Group is responsible for developing equity and debt capital strategies. The key members of the Client Solutions Group are:

<u>Name</u>	<u>Position with Investment Manager</u>
Dean Allara	Vice Chairman, Senior Managing Director, Client Solutions Group
Lourdes Fisher	Senior Managing Director, Client Solutions Group
Inna Khidekel	Senior Managing Director, Client Solutions Group
Peter LaMassa	Managing Director, Client Solutions Group
SH Lee	Senior Managing Director, Client Solutions Group
Claudius Weissbarth	Managing Director EMEA, Client Solutions Group
Michael Winiarski	Managing Director, Client Solutions Group

Biographical information for the key members of the Client Solutions Group follows:

**Dean Allara**, 60, is Vice Chairman and Head of the Client Solutions Group of Bridge. Mr. Allara currently serves on the investment committees for the general partners of Bridge Multifamily Funds III, IV and V, Bridge Workforce Funds I and II, Bridge Seniors Housing Funds I, II and III, Bridge Office Funds I, II and III, Bridge Opportunity Zone Funds I, II, III, IV, V and VI and Bridge Net Lease Income Fund. He has over 30 years of experience in the real estate investment process, including analyzing, capital raising, acquiring, financing, developing, managing, improving and selling properties. Mr. Allara has been directly responsible for capital raising and investment of over \$10 billion in multifamily, seniors housing, single family residential, commercial office, resort, golf, hotel, and retail properties. Mr. Allara has experience in real property development, including permits and zoning, master planning, debt financing, insurance, construction management, homeowners' association management, marketing, and residential sales. Mr. Allara received his Bachelor of Science degree in Business Administration from St. Mary's College, with a year spent at Loyola University of Rome, and his Master of Business Administration from Santa Clara University, including studies at the University of Tokyo.

**Lourdes Fisher**, 39, serves as a Senior Managing Director in the Client Solutions Group at Bridge. She is responsible for securing capital commitments and developing and maintaining relationships with institutional clients, including pension plans, insurance companies, endowments, foundations, and family offices. Prior to joining Bridge, Ms. Fisher was a Managing Director at Deutsche Bank where she led the investment grade debt capital markets coverage of clients in the real estate, gaming, lodging, leisure, specialty finance and asset management sectors. In this role, her primary responsibilities included advisement on global capital raising alternatives, optimization of capital structures, and management of interest rate and foreign currency risks. Additionally, ESG finance was a critical element of her coverage effort, having led over a dozen green bonds for her clients. At Deutsche Bank, Ms. Fisher was also the co-head of Deutsche Bank's debt private placement business where she worked on originating, structuring, and distributing bespoke securities to insurance companies and pension funds. Ms. Fisher received her Bachelor of Science degree in Civil Engineering from the McCormick School of Engineering at Northwestern University. She is also fluent in Spanish.

**Inna Khidekel**, 37, serves as a Senior Managing Director in Bridge's Client Solutions Group. Ms. Khidekel's principal role is to expand Bridge's business and product development efforts with institutional investors around the world, including sovereign wealth funds, pension plans, insurance companies, endowments, foundations and family offices. Ms. Khidekel serves on the investment committees for the Bridge Workforce Funds I and II and Bridge Office Fund II. Ms. Khidekel also serves as the Chairwoman of the Bridge Charitable Giving Committee and is a founding member of the Bridge Women's Network. Before joining Bridge, Ms. Khidekel worked at Goldman Sachs in the Investment Management Division in New York and Chicago where she served as a trusted advisor and managed assets for institutional and family office investors. Ms. Khidekel served on a three-person advisory team with over \$4 billion in assets under management. Prior to Goldman Sachs, Ms. Khidekel worked for Lehman Brothers and Nomura in their London offices, most recently as a Vice President and founding team member in High Yield and Distressed Credit, advising institutional clients on navigating the Eurozone sovereign debt crisis. She began her career at Lehman Brothers on a start-up Emerging Markets Equities trading desk in London. Ms. Khidekel is a frequent commentator on real estate and the affordable housing crisis in the United States, including in *The Wall Street Journal*, *Bloomberg*, *National Real Estate Investor*, *PERE*, *Affordable Housing Finance*, *Multi-Housing News*, *Multifamily Executive*, *Real Assets Adviser* and *MultiBriefs Exclusive*. Most recently, she was recognized in 2021 in *Crain's Notable Women on Wall Street* and by *Globest Real Estate* as a Woman of Influence, and won the REFI US Awards 2019 and the Harvard Business School Women's Rising Star Award. Ms. Khidekel received her Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania, with concentrations in Finance and Legal Studies & Business Ethics, and her Master of Business Administration from Harvard Business School. She is a Chartered Financial Analyst and a member of the CFA Society New York.

**Peter LaMassa**, 54, serves as a Managing Director in the Client Solutions Group at Bridge. He is responsible for securing capital commitments, building and maintaining investor relationships and growing the presence of Bridge's Client Solutions Group. His focus is on the bank and wealth management channel, where he works closely with private banks, brokerage firms, registered investment advisors and family offices. Before joining Bridge, Mr. LaMassa was a Managing Director / Investment Specialist in J.P. Morgan Private Bank's Alternative Investments Group. In this role, Mr. LaMassa was responsible for fundraising and worked directly with private clients and foundations and endowments to determine appropriate allocations to hedge funds, private equity, private credit, infrastructure and real estate. He worked directly with dozens of alternative investment managers to educate and update J.P. Morgan's clients on strategy and performance. From 1999 to 2006, Mr. LaMassa was at UBS (formerly PaineWebber), where he worked in a number of product specialist and marketing roles in that firm's Alternative Investment Group. While at UBS, alternative assets under supervision grew from approximately \$40 million to more than \$9 billion. Mr. LaMassa started his career in journalism, in *Institutional Investor's* Newsletter Division, where he worked first as a reporter and then an editor and publisher. While there, he covered numerous aspects of finance – equities, real estate, pensions, technology, operations. He also headed the launch of a newsletter that covered banks' sales of investment products. Mr. LaMassa graduated from the State University of New York at Albany with a Bachelor of Science degree in Economics and minors in Journalism and Business Administration. He is a guest lecturer at Hofstra University.

**Seunghwan (SH) Lee**, 55, serves as a Senior Managing Director in the Client Solutions Group at Bridge. Before joining Bridge, he was a Deputy CIO at Korea Investment Corporation ("KIC") and held various positions at KIC including President of the New York office, Head of Investment Strategy, Head of Global Fixed Income, and Head of Co-Investment. Mr. Lee has been in the financial industry for over 25 years and began his career at Dong Hwa Bank as a Credit Analyst in 1993. He then joined Kyobo Life Insurance as an Investment Manager for overseas investments, and later worked at BlackRock. Mr. Lee received his Bachelor of Arts degree in Economics from HanKuk University of Foreign Studies and his Master of Business Administration from State University of New York at Buffalo. He is also a CFA charter holder.

**Claudius Weissbarth**, 43, serves as a Managing Director EMEA in the Client Solutions Group at Bridge. Mr. Weissbarth has spent more than 15 years in various roles across global real estate with significant experience in European private real estate investments, public global real estate investments and portfolio managed and capital raising across global real estate investors. Prior to assuming his current role in leading EMEA in Bridge's Client Solutions Group in March 2021, Mr. Weissbarth was Managing Director, Head of EMEA Business Development and Capital Raising at Greystar. In this role, he was responsible for European and Middle Eastern investor relationships and helped facilitate over \$4 billion of equity investments from this region to drive Greystar's business expansion with investments across eight additional countries globally. Prior to joining Greystar in 2017, Mr. Weissbarth served as Executive Director at J.P. Morgan Asset Management in its Global Real Assets division, where he was responsible for EMEA and selective global investors and their investments and product solutions across J.P. Morgan's global real asset offering, including real estate, infrastructure, and maritime. From 2013 to 2015, Mr. Weissbarth worked at BlackRock as a Director, where he was responsible for business development, fundraising, and product structuring for global real estate offerings with European clients. From 2009 to 2013, Mr. Weissbarth worked as Director at Forum Securities Ltd., a team spin-out of Citigroup Property Investor's global real estate securities business, where he was part of the portfolio management team investing through long-only and hedged strategies in global and emerging market REITs and Real Estate Operating Companies. In 2005, Mr. Weissbarth was an Associate at Citigroup Property Investors, where he responsible for investments in Germany, mainly residential assets, on behalf of Citi's \$1.1 billion European Opportunistic Real Estate Fund. Mr. Weissbarth received his Diplom-Betriebswirt degree from University of Regensburg, Germany, and the European Master of Business Science, awarded jointly by Reading University, UK, and University of Regensburg, Germany.

**Michael Winiarski**, 44, serves as a Managing Director in the Client Solutions Group at Bridge. He is responsible for capital formation across the firm's strategies, building and maintaining institutional relationships, and driving brand awareness. Prior to joining Bridge, Mr. Winiarski was a Managing Director of Investor Relations at Greystar Real Estate Partners, where he oversaw institutional partnerships and led the formation and execution of several strategies across the US, Asia Pacific, and Latin America. Previously, Mr. Winiarski held roles across investments, capital markets, and investor relations functions, having served as a real estate platform specialist at J.P. Morgan Asset Management, worked with US West Coast-based institutional partnerships, and worked as a member of the Investments team at CIM Group, where he was responsible for underwriting and asset management across the firm's opportunistic, core, and debt strategies teams. Mr. Winiarski began his industry career as an Investment Banking Analyst with the Real Estate, Gaming & Leisure team at Bank of America Merrill Lynch. Mr. Winiarski is a CFA Charterholder and graduate of Rensselaer Polytechnic Institute in Troy, New York.

## **Advisory Committee**

The Partnership will establish an advisory committee (the "Advisory Committee") consisting of representatives of Limited Partners selected by the General Partner in its sole discretion (which may include non-voting observers). The number of members of the Advisory Committee will not at any time be less than three and will not exceed seven members. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other matters, as well as the delivery of required consents under the Advisers Act. The General Partner may consult with the Advisory Committee regarding the Partnership's investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The Limited Partner representatives on the Advisory Committee will be full voting members. The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee.

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## VIII. DETAILED SUMMARY OF TERMS

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*The following is a summary of certain investment considerations relating to limited partnership interests in Bridge Logistics Value Fund II LP, a Delaware limited partnership (together with any parallel funds formed to co-invest therewith, the “Partnership”), whose general partner (and the sole sponsor of the offering) is Bridge Logistics Value Fund II GP LLC (the “General Partner”). The General Partner has, on behalf of the investors, engaged Bridge Logistics Properties Fund Manager LLC, an SEC-registered investment adviser, as the investment manager for the Partnership (the “Investment Manager”). Each person or entity who makes capital contributions in connection with a capital commitment made under a Subscription Agreement will acquire limited partnership interests (“Interests”) in, and will become a limited partner (a “Limited Partner”) of, the Partnership.*

*This summary is subject to and qualified in its entirety by reference to the Amended and Restated Limited Partnership Agreement of Bridge Logistics Value Fund II LP (as amended, restated or otherwise modified from time to time, the “Partnership Agreement”) and the Subscription Agreement for the Partnership (the “Subscription Agreement”). The Partnership Agreement and subscription materials will be provided to qualified investors prior to closing. To the extent that the terms set forth below are inconsistent with those of the Partnership Agreement, the Partnership Agreement will control. Any capitalized terms used but not defined herein will have the respective meanings given to them in the Partnership Agreement.*

### **Partnership**

Bridge Logistics Value Fund II LP, a Delaware limited partnership (together with any parallel funds formed to co-invest therewith, the “Partnership”). The Partnership’s investment objectives are to build a logistics portfolio focused on urban infill, Global Gateway Markets. The Partnership intends to invest in real estate located throughout the United States, with a focus on infill logistics assets. The Partnership’s investments are referred to herein as the “Investments.”

The General Partner (as defined below) or its affiliates may establish one or more parallel funds to co-invest with the Partnership. References herein to the Partnership include any such parallel funds. In addition, the General Partner and its affiliates may form feeder fund vehicles or use alternative structures to address particular legal, regulatory, tax or other considerations particular to any investor or class of investors. See “Parallel Vehicles and Managed Account Vehicles,” “Feeder Vehicles” and “Alternative Investment Vehicles” below.

### **Offering**

The General Partner is seeking up to \$1 billion of capital commitments to the Partnership (“Capital Commitments”) from qualified limited partners (each, a “Limited Partner” and collectively, the “Limited Partners”), including limited partners in any Parallel Vehicles or Feeder Vehicles; provided, however, that the General Partner reserves the right in its sole discretion to accept capital commitments in excess of \$1 billion, up to \$1.5 billion (the “Cap Amount”); provided further that the General Partner may accept capital commitments in excess of the Cap Amount with the prior consent of the Partnership’s advisory committee (the “Advisory Committee”).

Each investor making a Capital Commitment under a Subscription Agreement will make a commitment to make capital contributions to the Partnership, up to the maximum aggregate amount of Capital Commitment specified in such Subscription Agreement.

### **Minimum Capital Commitment**

\$1 million, subject to the General Partner’s sole discretion to accept a lesser amount.



<b>General Partner</b>	The general partner of the Partnership is Bridge Logistics Value Fund II GP LLC, a Delaware limited liability company (the “ <u>General Partner</u> ,” and together with the Limited Partners, the “ <u>Partners</u> ”). The General Partner manages and controls the Partnership’s affairs and has general responsibility and complete authority in all matters affecting its business. The office of the General Partner is located at 111 E. Sego Lily Drive, Suite 400, Salt Lake City, Utah 84070, and its telephone number is (801) 284-5880. The General Partner will have complete discretion to acquire, finance, operate and dispose of Investments on behalf of the Partnership, subject to the limitations described herein.
<b>Investment Manager</b>	The Investment Manager of the Partnership is Bridge Logistics Properties Fund Manager LLC, a Delaware limited liability company and an affiliate of the General Partner. The Investment Manager will enter into an advisory agreement with the Partnership (the “ <u>Management Agreement</u> ”) pursuant to which the Investment Manager will be retained by the Partnership to identify, evaluate, structure and recommend investment opportunities for the Partnership to the General Partner and to provide administrative and management services to the Partnership in connection with the Investments.
<b>Members of the General Partner’s Investment Committee</b>	The General Partner’s Investment Committee will initially include Jay Cornforth, Brian Gagne, Robert Morse, Adam O’Farrell and Jonathan Slager.
<b>No Specified Investments</b>	The Partnership is a blind pool that has no specified Investments. Prior to each closing of the admission of investors, the General Partner will provide information, if available, about the Investments already acquired or expected to be acquired by the Partnership.
<b>Closing</b>	The initial closing of the Partnership, at which time the first Capital Commitments will be accepted (the “ <u>Initial Closing</u> ”), will occur as soon as practicable at such time as the General Partner determines that sufficient Capital Commitments have been obtained in order for the Partnership to commence operations. Subsequent closings may be held at the sole discretion of the General Partner not later than 18 months after the Initial Closing (or such later date approved by the Advisory Committee) (each, a “ <u>Subsequent Closing</u> ,” and the final one thereof, the “ <u>Final Closing</u> ”).
<b>General Partner Commitment</b>	The General Partner, or affiliates of the General Partner (each, an “ <u>Affiliated Limited Partner</u> ”), will commit at least 2% of the total non-Affiliated Limited Partner Capital Commitments to the Partnership and its Parallel Vehicles or Feeder Vehicles as of the Final Closing, up to a maximum of \$15 million (and may invest a greater amount). The General Partner and its affiliates (including Affiliated Limited Partners) will invest on the same terms and conditions as the other Limited Partners, except that they will not bear Management Fees or be subject to Carried Interest (each as defined below) and their Interests will be non-voting regarding matters presented to the Partners.
<b>Investment Limitations</b>	<b><i>Diversification.</i></b> Without the consent of the Advisory Committee, Capital Contributions (as defined below) made in connection with any single Investment may not exceed 20% of the then-outstanding aggregate Capital Commitments of all Limited Partners; <u>provided</u> , that for purposes of the foregoing limitation each property acquired (regardless of whether acquired in a portfolio or in a series of

related transactions) will be considered a separate Investment; and provided further that the General Partner may cause the Partnership to use Capital Contributions in excess of 20% of aggregate Capital Commitments to make any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in any such Investment can be reduced to no more than 20% of the aggregate Capital Commitments on or before the later of (i) the Final Closing and (ii) six months after the date of the investment in such Investment. If the Partnership invests in any entity that owns interests in various real estate assets, the foregoing limitations will be applied on an asset-by-asset basis.

**Blind Pool Funds.** Without the consent of the Advisory Committee, the Partnership will not invest at any time in “blind pool” investment funds.

**Non-U.S. Investments.** Without the consent of the Advisory Committee, the Partnership will not invest in assets located outside of the United States, or in companies and businesses which, based on information available to the General Partner at the time of the initial investment therein, have the majority of their assets located in, or derive the majority of their revenues from, locations other than the United States.

**Development Projects.** Without the consent of the Advisory Committee, the Partnership will not invest more than 35% of the aggregate Capital Commitments in development investments (excluding the cost of the underlying land); provided, that the foregoing limitation will not apply to build-to-suit development projects.

With respect to Investments made prior to (or pursuant to commitments made prior to) the Final Closing, all determinations made with respect to the limitations contained in the Partnership Agreement will be determined as if the Partnership’s aggregate Capital Commitments were equal to \$1 billion, and the Partnership will not be required to divest any Investment (or any portion thereof) made prior to the Final Closing in order to comply with any limitations set forth in the Partnership Agreement in the event that the aggregate Capital Commitments as of the Final Closing are less than \$1 billion.

**Logistics Infrastructure Markets.** Without the consent of the Advisory Committee, the Partnership will not invest more than 20% of the aggregate Capital Commitments in Investments that are located in the Logistics Infrastructure Markets (as such term is defined in the Partnership Agreement).

#### Commitment Period

Capital calls may be required from time to time for a period commencing on the Initial Closing and ending no later than the third anniversary of the Initial Closing (the “Commitment Period”); provided, that the Commitment Period may be extended for an additional six-month period in the sole discretion of the General Partner, and for a second six-month period with the consent of the Advisory Committee. Thereafter, the Limited Partners will not be required to contribute their un-drawn Capital Commitments (the “Unfunded Commitments”) in connection with new Investments, but will still be required to make capital contributions to: (a) cover the expenses or other obligations of the Partnership, including the Management Fee (as defined below); (b) complete Investments by the Partnership in respect of transactions in process prior to the end of the Commitment Period; (c) make follow-on Investments in existing Investments, provided, that the amount of follow-on Investments made after the Commitment

Period that were not committed or reserved for during the Commitment Period will not exceed 15% of the aggregate amount of the Capital Commitments; and (d) repay borrowings or satisfy guarantees or other obligations of the Partnership (whether incurred before or after the Commitment Period).

The Commitment Period may be terminated at any time (a) by the General Partner in its good faith judgment, (b) by the vote of Limited Partners representing 80% of the Capital Commitments, (c) by the vote of a majority in interest of the Limited Partners upon the occurrence of a Key Person Event (as defined below), (d) upon the occurrence of a Cause Event (as defined below), unless within sixty (60) days of the Cause Event, such Cause Event is cured in accordance with the requirements set forth in the definition of "Cause Event"; provided, that such termination of the Commitment Period shall not operate to restrict the Partnership from completing any follow-on investment or follow up investment, or (e) by the General Partner by written notice to the Limited Partners following the date upon which at least 90% of the aggregate Capital Commitments are invested in, called for contribution for, or committed or reasonably reserved for contribution for Investments, Management Fees and expenses.

**Target Return<sup>97</sup>**

13% to 15% annualized net internal rate of return to the Limited Partners.

**Term**

The Partnership will, unless earlier dissolved and terminated pursuant to the Partnership Agreement, continue in business until the close of business on the eighth anniversary of the Initial Closing (the "Term"); provided, that the General Partner may, in its sole discretion, extend the Term of the Partnership beyond the eighth anniversary of the Initial Closing for up to two successive one-year periods.

The Partnership will dissolve earlier upon the vote of Limited Partners representing a majority in interest of the Limited Partners after the occurrence of a Cause Event (as defined below).

**Capital Contributions**

Except as otherwise provided in the Partnership Agreement, Capital Commitments generally will be drawn down proportionately to Partners' Capital Commitments on an as-needed basis to fund Investments, the Management Fee and Partnership Expenses (as defined below), with a minimum of ten business days' (or, in the case of the Partnership's first drawdown, four business days') prior notice to the Limited Partners (each such drawing, a "Capital Contribution"). Benefit Plan Partners (as defined in the Partnership Agreement) may not be required to fund their capital contributions to the Partnership until the closing date of the Partnership's first Investment (but will be required to make direct payments in respect of Management Fees and Partnership Expenses), and may be required to fund their capital contributions for the Partnership's first Investment into an escrow account pending application to such first Investment (as more fully described in the Partnership Agreement). All other Limited Partners also may be required to pay Management Fees and Partnership Expenses directly to the

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<sup>97</sup> The General Partner in its sole discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Partnership or to ensure a diversification of risk for the Partnership as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Partnership will be taking with respect to the investments it makes. There can be no assurance that the Partnership's target return will be achieved. Please refer to the disclaimer at the front of this Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Additional information about the calculation of target returns will be made available promptly upon request.

General Partner or the Investment Manager until the Partnership makes its first Investment. Any amount drawn down from Unfunded Commitments to pay the Management Fee or Partnership Expenses may, to the extent Limited Partners receive subsequent distributions, either be retained or added back to Unfunded Commitments and be subject to recall for any permissible use pursuant to the Partnership Agreement. In addition, any return of capital from an Investment disposed of during the Commitment Period may either be retained or added back to Unfunded Commitments and be subject to recall.

#### **Co-Investment Policy**

The General Partner may, in its sole discretion, provide co-investment opportunities alongside the Partnership (including any Parallel Vehicles) in one or more of the Investments to certain persons such as Limited Partners or third parties in which the General Partner determines that, due to size or risk of the Investment, such Investment is not in the Partnership's best interests to be made solely by the Partnership (including local investors, strategic investors and lenders) ("Co-Investors"), though it is not obligated to do so. The terms of any such co-investment, including the fees and carried interest applicable thereto, if any, will be negotiated by the General Partner and the Co-Investor on a case-by-case basis in their respective sole discretion. The carried interest and management fees payable by the Co-Investor, if any, may be calculated solely with respect to such co-investment and may be retained by the General Partner and its affiliates. Any co-investment carried interest or management fees will not offset the carry or management fees paid by the Partnership.

#### **Subsequent Closings**

Limited Partners admitted or increasing their Capital Commitments at any Subsequent Closing will be required to fund their proportionate share of any Investment previously made and then held, Organizational Expenses (as defined below) and Partnership Expenses paid prior thereto. Such amount will be paid, together with interest accruing thereon in an amount equal to 8% per annum (except as contemplated below with respect to the Initial Closing true-up to be made in relation to the Seed Vehicle Investors), cumulative and compounded daily, to the Partnership and then refunded by the Partnership to the Partners that made Capital Commitments prior to such Subsequent Closing in proportion to their funded Capital Commitments, and the Unfunded Commitments of the Partners that made Capital Commitments prior to such Subsequent Closing will be increased by the amount representing a return of capital (or retained and applied against future capital calls in the General Partner's sole discretion). See also "Management Fee" below. The amounts funded by these Limited Partners admitted or increasing their Capital Commitments at Subsequent Closings (other than the additional amounts referred to above) will reduce such Limited Partners' Unfunded Commitments. Any additional amounts referred to above paid by Limited Partners admitted or increasing their Capital Commitments at any Subsequent Closing will not be deemed a Capital Contribution or reduce such Limited Partners' Unfunded Commitments. In addition, any amounts received by existing Limited Partners in respect of interest paid by Limited Partners admitted or increasing their Capital Commitments at any Subsequent Closing will not be deemed Investment Proceeds for purposes of "Distributions," below, and will not increase such existing Limited Partners' Unfunded Commitments.

#### **Contribution of Investments by the Seed Vehicle at the Initial Closing**

The Seed Vehicle has been established by the General Partner as a separately managed vehicle for certain investors (the "Seed Vehicle Investors") managed or advised by Townsend Holdings LLC ("Townsend"), the purpose of which is to make investments in projects similar to the investments contemplated under the

Investment Guidelines of the Partnership (the “Seed Vehicle Investments”). Concurrently with the Initial Closing (subject to the satisfaction of certain conditions precedent, including a minimum capital raise target), the General Partner will cause the Seed Vehicle to contribute all of its direct and indirect interests in the Seed Vehicle Investments to the Partnership in exchange for limited partnership interests in the Partnership with an agreed fair market value (and deemed capital contribution) at the time of such contribution equal to the total cost of the Seed Vehicle Investments plus the amount of all other costs and expenses incurred by the Seed Vehicle and its subsidiaries in connection with the Seed Vehicle Investments and the formation and maintenance of the Seed Vehicle and its subsidiaries (such agreed fair market value, the “Conversion Value”). In addition, Limited Partners making Capital Commitments to the Partnership on the Initial Closing shall indirectly pay to each of the Seed Vehicle Investors (through the Seed Vehicle and its subsidiaries) an amount equal to a four percent (4%) cumulative annual rate of return, compounded daily, on each such Seed Vehicle Investor’s capital contributions made to the Seed Vehicle (to the extent such capital contributions are being trued-up as part of the Subsequent Closing mechanics contemplated above) from the date of each such capital contribution until the Initial Closing (the “Conversion Additional Amount”); provided, that the General Partner may elect to retain the Conversion Additional Amount and apply it (on a pro rata basis) against such Seed Vehicle Investor’s indirect future obligations to fund Capital Contributions to the Partnership. The determination of the Conversion Value and the Conversion Additional Amount shall initially be made by the General Partner subject to the approval of Townsend. If Townsend objects to the General Partner’s determination of the Conversion Value and the Conversion Additional Amount, and the General Partner and Townsend thereafter are unable to agree upon a mutually acceptable valuation within a specified period, such determination shall be made pursuant to an appraisal process. After implementing such process, the Seed Vehicle shall be an indirect limited partner in the Partnership (through underlying subsidiaries), and the Seed Vehicle Investors will indirectly hold such indirect limited partnership interests through the Seed Vehicle.

Upon the consummation of such contribution process, the Seed Vehicle is expected to receive a portion of the Carried Interest distributions which the General Partner is entitled to receive (as described in “Distributions” below). See Section IX, “Risk Factors and Conflicts of Interest – Contribution of Investments by Seed Vehicle.”

#### **Warehoused Investments**

Prior to the Initial Closing, the General Partner or its affiliates may acquire one or more investments with the intent of transferring such investments (the “Warehoused Investments”) to the Partnership. Following the Initial Closing (or within a reasonable time thereafter), the General Partner intends to transfer, or cause to be transferred, the Warehoused Investments to the Partnership for an amount, unless otherwise approved by the Advisory Committee or a majority in interest of Limited Partners, equal to the sum of (i) the acquisition cost of such Warehoused Investment (less any disposition proceeds and any amounts received from such Warehoused Investment), including any fees, taxes, expenses and costs incurred by the General Partner or its affiliates, in connection with the purchase and holding of such Warehoused Investments, (ii) interest accruing thereon in an amount equal to 4% per annum, cumulative and compounding daily, and (iii) all fees, taxes, expenses and costs incurred by the General Partner or its affiliates, in connection with the transfer of such Warehoused Investments to the Partnership,

and each Limited Partner hereby acknowledges and consents to the transfer of such Warehoused Investments to the Partnership and acknowledges and waives any actual or potential conflicts of interest with respect to any such investments and any related arrangements. In addition, the General Partner or its affiliates may loan money to the Partnership or a Partnership subsidiary to allow the Partnership or such Partnership subsidiary to acquire one or more Investments prior to or shortly after the Initial Closing. Following the Initial Closing (or within a reasonable time thereafter), the Partnership will repay such indebtedness plus interest thereon and all costs associated with such indebtedness, in each case at the General Partner's or such affiliate's cost of borrowing.

## Distributions

Distributions of Investment Proceeds will be attributed in the first instance to the Limited Partners and the General Partner pro rata in proportion to each of their percentage interests with respect to such Investment. Investment Proceeds attributed to the General Partner will be distributed to the General Partner. Investment Proceeds attributed to each Limited Partner will be distributed to such Limited Partner and the General Partner in the following amounts and order of priority:

- (i) ***Return of Capital***: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Investment Proceeds in an amount equal to such Limited Partner's aggregate Capital Contributions;
- (ii) ***8% Preferred Return***: Second, 100% to such Limited Partner until the cumulative distributions to such Limited Partner of Investment Proceeds in excess of such Limited Partner's aggregate Capital Contributions represents an 8% cumulative annual rate of return, compounded daily, on the amount of such Limited Partner's Capital Contributions from the date the applicable Capital Contributions were made until the date such amounts are distributed to such Limited Partner;
- (iii) ***General Partner Catch-up***: Third, (a) if such Limited Partner has an aggregate Capital Commitment of less than \$1 million, then 100% to the General Partner, (b) if such Limited Partner has an aggregate Capital Commitment of \$1 million or more but less than \$10 million, then 80% to the General Partner and 20% to such Limited Partner, or (c) if such Limited Partner has an aggregate Capital Commitment of \$10 million or more, then 50% to the General Partner and 50% to such Limited Partner, in each case until the General Partner has received as Carried Interest (as defined below) distributions with respect to such Limited Partner equal to 20% of the sum of (X) the aggregate amount of Investment Proceeds distributed to such Limited Partner from all Investments pursuant to clause (ii) above and this clause (iii), and (Y) the amount of distributions of Carried Interest to the General Partner under this catch-up provision in respect of such Limited Partner; and
- (iv) ***Carried Interest Split***: Thereafter, 80% to such Limited Partner and 20% to the General Partner. The distributions to the General Partner described in clause (iii) above and this clause (iv) are referred to collectively herein as "Carried Interest."

## Distributions in Kind

Distributions prior to the dissolution and windup of the Partnership may only take the form of cash or marketable securities. Upon dissolution of the Partnership, distributions may also include restricted securities and other assets of the

Partnership. In the event the Partnership intends to dispose of marketable securities for cash, in lieu of such cash the General Partner may in its sole discretion offer each Partner the option to receive its pro rata share of such securities. As set forth in the Partnership Agreement, certain Qualifying Sales, including any transactions contemplated thereby, will not be deemed a distribution in kind for purposes of the Partnership Agreement except to the extent that such Qualifying Sale would result in a distribution of marketable securities to Limited Partners.

**Tax Distributions and Withholding**

Notwithstanding the foregoing, the General Partner may cause the Partnership to make distributions from time to time to the General Partner in amounts sufficient to permit the payment of the tax obligations of the General Partner and its direct and indirect owners in respect of allocations of income related to the Carried Interest based on assumed tax rates. Any such distributions will be taken into account in making subsequent distributions to the Partners. Amounts of taxes paid by the Partnership or its subsidiaries, tax credits received by the Partnership and amounts withheld for taxes will be treated as distributions for purposes of the calculations described above.

The General Partner will be entitled to withhold from any distribution amounts necessary to create, in its sole discretion, appropriate reserves for expenses and liabilities of the Partnership, as well as for any required tax withholdings.

**Allocation of Profits**

The Partnership will establish and maintain a capital account for each Partner. All items of income, gain, loss and deduction will be allocated to the Partners' capital accounts in a manner generally consistent with the distribution procedures outlined under "Distributions" above.

**Clawback**

Upon termination of the Partnership, the General Partner will be required to return distributions of Carried Interest previously received by the General Partner with respect to each Limited Partner to the extent that such distributions exceed the amount that should have been distributed to the General Partner as Carried Interest pursuant to "Distributions" above, applied on an aggregate basis covering all transactions of the Partnership. In no event, however, will the General Partner be required to return more than the cumulative Carried Interest distributions received by the General Partner, net of tax distributions or amounts that could have been distributed as tax distributions thereon.

**Management Fee**

Commencing on the Initial Closing, the Partnership will pay a management fee (a "Management Fee") to the Investment Manager based on the Capital Commitments of each Limited Partner.

The Management Fees will equal: (i) for Capital Commitments of less than \$1 million, 2.5% per annum, (ii) for Capital Commitments of \$1 million or more but less than \$10 million, 2.0% per annum, (iii) for Capital Commitments of \$10 million or more but less than \$100 million, 1.5% per annum, and (iv) for Capital Commitments of \$100 million or more, 1.25%, in each case based on Capital Commitments during the three-year period following the Initial Closing, and thereafter on the original amount of equity used to acquire the assets held by the Partnership as of the close of the last business day of the immediately preceding calendar quarter (including the relevant Limited Partner's *pro rata* portion of the indebtedness incurred by the Partnership or a subsidiary to fund such original amount of equity in lieu of a drawdown, and without reduction for the amount of

any capital returned to Limited Partners in respect of assets then held by the Partnership (including as the result of any refinancings)), provided, that if, as of the date of the close of the last business day of any calendar quarter, the cost basis of the assets held by the Partnership has not been finally determined as of such date, the General Partner may (x) use such cost basis information as is then currently available for purposes of determining the Management Fee and (y) make such adjustments as are necessary to the next quarterly Management Fee to reflect any difference in the Management Fee that would have been payable on such prior date had the initial cost basis information been available as of such date.

Limited Partners admitted to the Partnership at a Subsequent Closing will contribute (from their Unfunded Commitments) their pro rata share of the Management Fee that otherwise would have been payable by such Limited Partner had such Limited Partner been admitted prior to the Subsequent Closing, plus additional amounts accruing like interest thereon in an amount equal to 8% per annum. Such contributed amounts (other than such additional amounts) will reduce such Limited Partner's Unfunded Commitment.

The Partnership may pay the Management Fee from draw-downs of Capital Commitments which will reduce Unfunded Commitments, or out of any Partnership assets (including Investment Proceeds).

The General Partner or the Investment Manager may elect to waive or reduce Management Fees for any Partner in its sole discretion, and in such event the Partnership's Management Fee obligations will be reduced by a corresponding amount. In addition, the General Partner or the Investment Manager may elect to waive or reduce Management Fees for any Partner in its sole discretion in exchange for a right to receive the amount of the waived or reduced fee (the "Cashless Contribution") from distributions of future profits otherwise attributable to the other Partners related to the Cashless Contribution.

#### **Investment Manager and General Partner Expenses**

The Investment Manager and General Partner will be responsible for all of their respective normal and recurring routine operating expenses of managing the Partnership, including compensation of employees, rent, utilities and other expenses of management (but not including any Partnership Expenses, Organizational Expenses or other fees discussed in "Acquisition, Debt Sourcing and Other Related-Party Fees" below). Notwithstanding the foregoing, legal, accounting or other specialized consulting or professional services that the Investment Manager and the General Partner determine they would not normally be expected to render with their own professional staff shall not be considered normal operating expenses, and shall be borne by the Partnership as Partnership Expenses (as described below).

#### **Partnership Expenses**

The Partnership will pay all expenses related to its own existence and operations ("Partnership Expenses"), including, but not limited to (i) all costs of management, conduct and operation of the Partnership and its business or otherwise attributable to the existence of the Partnership and its related entities (including Parallel Vehicles, Feeder Vehicles, Alternative Investment Vehicles and special purpose entities), including fees, costs and expenses relating to the maintenance of registered offices, corporate licensing and similar expenses, (ii) the Management Fee, the Organizational Expenses and acquisition, debt sourcing and other fees discussed in "Acquisition, Debt Sourcing and Other Related-Party Fees" below, (iii) all costs and expenses incurred in conducting due diligence



investigations into, purchasing, acquiring, developing, holding, monitoring, negotiating, structuring, hedging, financing and disposing of actual Investments, including costs for financial, legal (whether in-house or outside counsel), accounting, consulting or other advisers or any lenders, investment banks and other financing sources and other costs and fees in connection with transactions which are not consummated, duplicating, postage, delivery, lodging, travel (including airfare consistent with the Investment Manager's travel policies), communications charges, and appraisal fees (including obtaining an independent valuation of Investments or other assets), software licenses and other software fees or costs (including allocations of software licenses and other software fees or costs shared with affiliates, as reasonably determined by the General Partner and the Investment Manager), engineering and environmental services, and property and asset management fees incurred in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third parties), and all costs of any investment-related vehicles including any subsidiary of the Partnership which elects to be taxed as a REIT, (iv) fees and expenses for accountants, auditors, appraisers, attorneys (whether in-house or outside counsel), tax professionals (whether in-house or outside tax professionals), consultants and other advisors, (v) (A) all out-of-pocket costs and expenses, if any, incurred in researching, developing, conducting due diligence investigations into, negotiating and structuring prospective or potential Investments which are not ultimately made, including any legal (whether in-house or outside counsel), accounting, due diligence, advisory, financing and consulting costs and expenses in connection therewith, (B) costs of any proposed co-investment transaction that is not consummated, and including broken deal expenses, diligence and pursuit expenses, and other third-party out-of-pocket expenses, and (C) any deposits or down payments of cash or other property that are forfeited in connection with a proposed Investment that is not ultimately made, (vi) sales, leasing and brokerage commissions, development fees, loan servicing fees, property management fees, custodial expenses and other investment costs incurred in connection with Investments, (vii) principal, interest on and fees and expenses arising out of all borrowings made by the Partnership, including the arranging thereof, (viii) the costs of any fidelity bond or similar insurance and the costs of any litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Partnership, including the amount of any judgments, settlements or fines paid in connection with any litigation, governmental inquiry, investigation or proceeding involving the Partnership (including any Parallel Vehicle, Feeder Vehicle, Alternative Vehicle or other related entity), the General Partner, the Investment Manager or their respective affiliates or other indemnitees, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreement, (ix) any taxes, fees or other governmental charges levied against the Partnership (including out-of-pocket expenses with respect to the Partnership's legal and regulatory compliance (whether in-house or outside counsel)) and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership or associated with its administrative, reporting, monitoring, research or research-related costs, including its annual meeting expenses and costs associated with its financial statements and tax returns (whether in-house or outside tax professionals), including the expenses of the Partnership's fund administrator (which may be Bridge Fund Financial Services LLC, an affiliate of the General Partner), and costs of the representation of the Partnership or the Partners by the partnership representative or designated individual (but any taxes, fees or charges

levied in respect of or otherwise in connection with any specific Partner(s) or allocated to Partners pursuant to the Partnership Agreement will be charged solely against the interest of, or reimbursed by, such Partners), (x) other governmental or regulatory charges, and regulatory and legal fees and expenses (and damages) of the Partnership and its affiliates in connection with ongoing compliance, filings and reporting obligations under the Advisers Act, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), “blue sky,” the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers or any other applicable laws, including filing fees and expenses and expenses related to the preparation of regulatory filings, or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving or in relation to the Partnership or its affiliates, (xi) costs in connection with the Partnership’s financial statements, reports, notices, tax returns, Schedule K-1s (or similar schedules), other costs of reporting to or otherwise communicating with Limited Partners (whether in-house or outside tax professionals), including expenses incurred in connection with providing the Limited Partners access to a database or other forum hosted on a website designated by the General Partner, (xii) the expenses of the Advisory Committee (including expenses of voting and non-voting members) and meetings of one or more Partners, (xiii) costs associated with the winding up, termination, dissolution or liquidation of the Partnership, the General Partner or any of their related vehicles (including any Parallel Vehicle, Feeder Vehicle, Alternative Investment Vehicle or special purpose entity), (xiv) costs of enforcement related to defaults by Limited Partners in the payment of any capital contributions, (xv) any restructuring, modifications, revisions or amendments to the constituent documents of the Partnership and related entities, which for the avoidance of doubt does not include the Investment Manager, including the General Partner, any Parallel Vehicles, Feeder Vehicles, Alternative Investment Vehicles and special purpose entities, (xvi) hedging transactions for the Partnership and related entities, (xvii) expenses incurred in connection with compliance with side letters, (xviii) other extraordinary, nonrecurring matters, and (xix) any other fees, costs and expenses of the Partnership and related entities, including the General Partner, the Investment Manager, any Parallel Vehicles, Feeder Vehicles, Alternative Investment Vehicles and special purpose entities, and such other fees (to the extent not otherwise addressed in the Partnership Agreement) as may be approved by a majority in interest of the Limited Partners or by the Advisory Committee. Out-of-pocket expenses associated with completed transactions will be capitalized as part of the acquisition price thereof. In addition, the Partnership will be responsible for certain debt placement, acquisition, property management, construction management and other fees payable to the Investment Manager or its affiliates, including without limitation, Bridge Debt Capital Markets, BCRE and Bridge Fund Financial Services LLC, as discussed in more detail in “Acquisition, Debt Sourcing and Other Related-Party Fees” below, in Section VII – “The General Partner, the Investment Manager and Management Overview” and Section IX – “Risk Factors and Conflicts of Interest.” Fees and expenses for in-house legal counsel are charged on a time-incurred basis; fees and expenses for in-house tax professionals are charged on either a time-incurred basis or project basis, as determined by the General Partner, provided, that the General Partner determines that the method selected is consistent with market practice for services from third-party tax professionals.

#### **Organizational Expenses**

The Partnership will bear all legal, accounting, filing and other organizational and offering expenses incurred in connection with (i) the formation of the Partnership,

the General Partner and related vehicles, including any partnership or other vehicle formed solely for the purposes of investing in the Partnership, and (ii) the offering of interests in the Partnership and such related vehicles, up to an amount equal to \$3 million (the “Organizational Expenses”). The establishment of any investment-specific vehicles are Partnership Expenses and not Organizational Expenses. The Partnership may also pay placement fees and commissions, and to the extent that the Partnership pays any placement agent fees or commissions (or any interest thereon or any expense of any such agent), such amounts will be treated as Organizational Expenses (other than with respect to the Limited Partners that are affiliates of the General Partner); provided, that the Management Fee otherwise payable will be reduced by 100% of such placement agent fees or commissions (but not any interest thereon or any expense of such agent, which shall be borne by the Partnership) and such amounts will be outside the Organizational Expense cap. To the extent the Partnership is required to pay Organizational Expenses (excluding placement fees or commissions) in excess of \$3 million they will be treated as Organizational Expenses for purposes hereof, but a corresponding amount of the Management Fee otherwise payable will be reduced by 100% thereof.

**Acquisition, Debt Sourcing  
and Other Related-Party  
Fees**

The Partnership or its subsidiaries, as applicable, may pay acquisition fees to the Investment Manager or its affiliates with respect to any acquisition of an already built asset acquired by the Partnership in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) the sum of (a) 1.0% of the gross acquisition cost of the Investment up to \$30,000,000, (b) 0.75% of the gross acquisition cost of the Investment over \$30,000,000 up to \$50,000,000, and (c) 0.5% of the gross acquisition cost of the Investment in excess of \$50,000,000. The Partnership or its subsidiaries, as applicable, may also pay development fees to the Investment Manager or its affiliates with respect to any new development an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) 4.5% of the gross development cost of the Investment (including hard and soft costs, but excluding any land or finance costs). In addition, the Partnership or its subsidiaries, as applicable, may pay construction management fees to the Investment Manager or its affiliates with respect to any renovations, deferred maintenance and other capital repair expenditures on existing assets (i.e., not in duplication of the development fee for new developments), in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) (a) 5.0% of approved budgeted costs for projects budgeted up to \$100,000, (b) 4.0% of approved budgeted costs for projects budgeted over \$100,000 up to \$350,000, and (c) 3.0% of approved budgeted costs for projects budgeted over \$350,000. The Partnership or its subsidiaries, as applicable, may also pay debt sourcing fees to affiliates of the Investment Manager (including Bridge Debt Capital Markets) with respect to debt sourced (including any refinancing) by such affiliate in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) the sum of (a) 0.65% of the gross amount of such indebtedness up to \$7,500,000, (b) 0.45% of the gross amount of such indebtedness over \$7,500,000 up to \$25,000,000, (c) 0.35% of the gross amount of such indebtedness over \$25,000,000 up to \$50,000,000, and (d) 0.25% of the gross amount of such indebtedness in excess of \$50,000,000.

In addition, Bridge Fund Financial Services LLC, an affiliate of the General Partner, may provide certain fund administration services for the Partnership in exchange

for fees, which will be at or below market rates as determined by the General Partner in its sole discretion. The Partnership's assets are expected to benefit from Bridge's master insurance program, which may bear the risk of certain insurable losses for those assets; depending on losses incurred in a given year, this master insurance program could result in net gains for affiliates of the Investment Manager (which are not expected to be material in the aggregate). Affiliates of the Investment Manager may also provide short-term financing for Investments in certain cases; any such financing will be repaid plus interest thereon and all costs associated with such financing (including amortization of loan costs and expenses), in each case at the applicable lender's cost of borrowing. The Partnership may also pay to the Investment Manager or its affiliates the following fees (all of which will be at or below market rates): (1) property management fees; (2) reimbursement for reasonable legal fees of in-house legal personnel charged on a time-incurred basis, and reasonable fees of in-house tax professionals charged on either a time-incurred basis or project basis, consistent with market practice, for work related specifically to the Partnership; and (3) procurement services overhead allocation. These fees will not offset or otherwise reduce any Management Fees paid to the Investment Manager and will not require approval of the Advisory Committee or the Limited Partners.

In addition, the Partnership may, or may cause any of the Partnership's assets to, contract with, pay fees to or engage in transactions with, businesses in which the Investment Manager or its Affiliates hold an interest, for any services or products obtained by the Partnership or its subsidiaries from such Persons or businesses at arm's length rates that would be available to third parties for similar services or products. To the extent the Investment Manager or its Affiliates (including Bridge Ventures Fund and any successor fund thereto) have invested in such businesses, they may receive indirect compensation in connection with the utilization of such services or products by the Partnership and its assets.

Moreover, the General Partner may, in its sole discretion, establish a parallel partnership domiciled in the Grand Duchy of Luxembourg or elsewhere in Europe. In such event, Bridge Investment Group Europe S.à r.l ("Bridge Europe"), an affiliate of the General Partner established in the Grand Duchy of Luxembourg, may be engaged by the General Partner, the Investment Manager or their respective affiliates to provide certain alternative investment fund management services to such parallel partnership. Bridge Europe shall charge fees based on the net asset value of the parallel partnership, subject to certain minimum fees.

Furthermore, the General Partner or its affiliates may, or may establish related entities, including Bridge Solar Fund and its affiliated entities, to the extent approved by the Advisory Committee, to (a) lease solar equipment to be used at properties owned by the Partnership by tenants or the Partnership or its affiliates, (b) lease rooftop space at properties owned by the Partnership to generate and sell solar power, at or below market rates, to tenants of such properties, the Partnership or its affiliates or utility providers, or (c) provide conventional financing to investments in rooftop solar energy production. It will be the opportunity of the Investment Manager (and such affiliates or related entities of the Investment Manager as the Investment Manager may select in its sole discretion), and not the opportunity of the Partnership, to engage in such leasing or financing business. The Investment Manager or its affiliates may collect fees (including financing fees) in connection with such leasing business and related solar equipment transactions, as well as such financing business, which fees will

not accrue to the benefit of the Partnership or the Limited Partners in any manner and will not offset any Management Fees or Carried Interest. Owners of any such solar equipment may be entitled to tax credits, which tax credits are not expected to flow through to the Partnership or the Limited Partners.

Lumen Energy, Inc. ("Lumen") is expected to provide certain software and other services for the Partnership or assets held directly or indirectly by the Partnership in exchange for fees, which will be at or below market rates as determined by the General Partner in its sole discretion. Although the terms of any software or other services between the Partnership or its affiliates and Lumen are expected to be substantially similar to those negotiated with third-party customers of Lumen, there will be no third-party verification of such market terms and there is no assurance that such terms will be substantially similar to those provided by unaffiliated parties in all material respects. Bridge holds an ownership interest in Lumen, and the direct or indirect owners of Bridge, including members of the Investment Committee, may be indirect owners of Lumen through their ownership of Bridge. Bridge is entitled to direct and indirect compensation (including the right to receive or acquire additional ownership interests) in connection with the utilization of Lumen services or products by the Partnership or other Bridge-affiliated investment or other vehicles.

All amounts paid to the Investment Manager or its affiliates pursuant to this "Acquisition, Debt Sourcing and Other Related-Party Fees" will not be shared with the Limited Partners or otherwise offset or reduce any Management Fees or Carried Interest payable to the Investment Manager and, unless otherwise specified herein, will not require approval of the Advisory Committee or the Limited Partners.

#### **Key Person Event**

If any event or circumstance occurs which results in (a) both Jay Cornforth and Brian Gagne or (b) at least three of Jay Cornforth, Brian Gagne, Paul Jones, Robert Morse, Adam O'Farrell and Jonathan Slager no longer devoting substantially all of their business time to the General Partner, the Investment Manager, the Partnership or Bridge and its affiliates, for any reason other than a Temporary Absence (as defined below) (a "Key Person Event"), at any time prior to the expiration or termination of the Commitment Period, the General Partner will promptly give notice to the Limited Partners of that fact ("Key Person Event Notice"). The Commitment Period will be terminated unless within 60 days of the Key Person Event Notice, a majority in interest of the Limited Partners (a) approves of an investment professional as a qualified replacement of any applicable person listed in this subpart such that the Key Person Event is cured or (b) otherwise affirmatively votes not to terminate the Commitment Period; *provided, however*, that any such termination of the Commitment Period will not apply to any follow-on Investment or proposed new Investment with respect to which the Partnership has entered into a binding letter of intent, an enforceable written agreement in principle or an enforceable definitive written agreement to make such Investment prior to the occurrence of such Key Person Event; *provided, further*, that during the 60-day period referenced above, (x) such follow-on Investments and such proposed Investments will be the only Investments completed or made by the Partnership, and (y) other than those Investments permitted under clause (x)

above, the Partnership will not enter into any legally binding agreements with respect to any such proposed Investments.

A “Temporary Absence” is defined as the failure of an individual to perform his or her duties for any reason (including as a result of any physical, mental or emotional disability) for a period not to exceed 60 consecutive days or 120 days in any 12-month period.

#### **GP Removal**

The General Partner may be removed for any Cause Event with the approval of a majority in interest of the Limited Partners, or without cause with the approval of 80% in interest of the Limited Partners.

“Cause Event” means the entry of a final judgment, verdict or order by any court or other similar governmental body of competent jurisdiction (or an admission or plea of no-contest) (a) that the General Partner, the Investment Manager, or any of the Managers or members, directors or employees of the General Partner or the Investment Manager has committed a felony or a material violation of applicable securities laws which has a material adverse effect on the business of the Partnership, any Subsidiary or any Limited Partner or the ability of the General Partner to perform its duties under the terms of the Partnership Agreement, (b) of fraud by the General Partner, the Investment Manager or any of the Managers or members, directors or employees of the General Partner or the Investment Manager (in each case, for so long as such person continues to be actively involved in the day to day affairs of the Partnership), (c) of willful misconduct or a material breach of the Partnership Agreement by the General Partner, the Investment Manager or any of the Managers (for so long as such person continues to be actively involved in the day to day affairs of the Partnership) in connection with the performance of their respective duties under the terms of the Partnership Agreement, that has a material adverse effect on the business of the Partnership, any Subsidiary or any Limited Partner or (d) of gross negligence by the General Partner, the Investment Manager or any of the Managers (for so long as such person continues to be actively involved in the day to day affairs of the Partnership) that has a material adverse effect on the business of the Partnership, any Subsidiary or any Limited Partner taken as a whole, (e) Bankruptcy of the General Partner or the Investment Manager, or (f) a Transfer by the General Partner in violation of the Partnership Agreement; provided, that no Cause Event shall be deemed to have occurred if (i) the Cause Event occurs with respect to a Manager or member, director or employee of the General Partner or the Investment Manager and the General Partner or the Investment Manager, as applicable, terminates or causes the termination of employment with the General Partner or Investment Manager, as applicable, and its respective Affiliates of all such Managers, members, directors or employees who engaged in the conduct constituting such Cause Event and (ii) the General Partner makes restitution to the Partnership of any actual out-of-pocket damages incurred by the Partnership as a result of the Cause Event (but specifically excluding any consequential and punitive damages).

Upon removal of the General Partner, the Partnership may be continued without dissolution by the consent of a majority or 80% in interest of the Limited Partners, as applicable, to a replacement general partner. In such event, the replacement general partner will be required to purchase the entire interest of the removed General Partner on terms specified in the Partnership Agreement.

## Partnership Borrowing

The Partnership may incur indebtedness and guarantee obligations with respect to Investments and Partnership Expenses and enter into one or more credit facilities or guarantees which may be secured by the Limited Partners' Unfunded Commitments as well as the Partnership's assets in order to enable the Partnership to make Investments or pay expenses without making a capital call on the Limited Partners. The General Partner may also cause the Partnership to enter into one or more borrowings that are secured in whole or in part by the duly executed Subscription Agreements, which have been accepted by the General Partner, of some or all Partners (each, a "Subscription Line"). In connection with any such Subscription Line, the General Partner will be authorized to pledge, mortgage, assign, transfer and grant security interests in the General Partner's right of the Partnership to issue funding notices and collect Capital Contributions from some or all of the Partners, and each Limited Partner will be required to execute the documentation required for the Partnership to obtain its Subscription Line (including documentation evidencing such Limited Partner's obligation to make Capital Contributions to the Partnership, granting a security interest in its Subscription Agreement, or allowing the General Partner and the Partnership to do so).

The aggregate outstanding borrowings of the Partnership may not, when taken together with the Partnership's share of outstanding borrowings through vehicles it owns an interest in, exceed 65% of the greater of (i) costs of the Investments made by the Partnership and (ii) the Partnership's pro rata share of the fair market value of all Investments, subject to the terms of the Partnership Agreement. The aggregate outstanding borrowings of the Partnership on any single Investment may not exceed 70% of the greater of (x) costs of such Investment made by the Partnership and (y) the Partnership's pro rata share of the fair market value of such Investment, subject to the terms of the Partnership Agreement. Subscription Line borrowings will not be taken into account in determining aggregate leverage because they will generally be repaid with Capital Contributions when funded. A Limited Partner may be required to acknowledge its obligations to make Capital Contributions to the Partnership for its share of such guarantees or indebtedness up to the amount of its Unfunded Commitment.

A Limited Partner may be required to acknowledge its obligations to make Capital Contributions to the Partnership for its share of such guarantees or indebtedness up to the amount of its Unfunded Commitment.

The Partnership may provide customary guarantees on market terms in connection with underlying financing of its Investments.

## Advisory Committee

The Partnership will establish an advisory committee (the "Advisory Committee") consisting of representatives of Limited Partners selected by the General Partner in its sole discretion (which may include non-voting observers). The number of voting members of the Advisory Committee will not at any time after the Final Closing be less than three or exceed seven members. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other matters, and will be authorized to review and approve and/or ratify, as the case may be, certain matters as set forth in the Partnership Agreement, and will be authorized to give all required consents under the Advisers Act, including consents required under Section 206(3) or pursuant to an assignment (as defined in the Advisers Act). The Partnership may enlist the expertise of its Advisory Committee regarding the Partnership's

investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend meetings of the Advisory Committee or to receive information and materials provided to the members of the Advisory Committee.

The Advisory Committee will make decisions by way of a majority vote of the voting members as provided in the Partnership Agreement.

#### **Transfer of Interests**

A Limited Partner may not sell, assign or transfer any Interest without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole discretion. Further, a Limited Partner generally may not withdraw any amount from the Partnership. The Partnership Agreement sets forth additional transfer restrictions with respect to compliance with applicable laws and regulations, including the Securities Act, the Advisers Act, the Investment Company Act of 1940, REIT requirements under the U.S. Internal Revenue Code of 1986, as amended (the “Code”), and ERISA (as defined below).

#### **Reports and Meetings**

The Partnership will furnish audited financial statements annually no later than 90 days after year-end (or as soon as practicable thereafter), and tax information necessary for the completion of income tax returns within 120 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Partnership, provided, that the first quarterly financial statements will be provided after the first full calendar quarter after the Initial Closing.

The Partnership will hold an annual meeting of Limited Partners and an annual meeting of the Advisory Committee each year, commencing in 2024 and continuing until the cost basis of the Partnership’s remaining assets is less than 10% of the aggregate Capital Commitments.

#### **Indemnification**

The Partnership will indemnify the General Partner, the Investment Manager, their affiliates and any of their respective officers, members, directors, agents, stockholders and partners, and any other person who serves at the request of the General Partner on behalf of the Partnership as an officer, member, director, partner, employee or agent of any other entities and any member of the Advisory Committee (in each case, an “Indemnitee”) for any loss, damage or expense incurred by such Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of or in connection with the Partnership and its Investments; provided, that an Indemnitee will only be entitled to indemnification to the extent that such Indemnitee’s conduct did not constitute fraud, willful misconduct, gross negligence, bad faith, a material breach of the Partnership Agreement or the Management Agreement, or material violation of applicable securities laws (provided, that no member of the Advisory Committee will be liable other than for fraud, willful misconduct or conduct in bad faith on the part of such member). Limited Partners will be obligated to return amounts



distributed to them to fund the Partnership's indemnity obligations and other liabilities or obligations of the Partnership relating to or arising out of the investment or other activities of the Partnership, subject to certain limitations as more fully described in the Partnership Agreement.

**Restrictions on Competing Funds**

Without the consent or ratification, as the case may be, of the Advisory Committee, until the earlier of (a) the time at which at least 75% of the Partnership's Capital Commitments have been invested in, called for contribution, or otherwise committed or reasonably reserved for contribution pursuant to a letter of intent, written agreement in principle or written definitive agreement, for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses, (b) the end of the Commitment Period, or (c) the dissolution and termination of the Partnership, (x) the General Partner, the Investment Manager and its affiliates will not close on any other investment fund or investment vehicle that has as its primary objective the acquisition of equity investments in value-add and ground-up development logistics properties in the United States (a "Competing Fund"), other than: (a) Bridge Logistics Value Fund I, Bridge Multifamily Fund III, Bridge Multifamily Fund IV, Bridge Multifamily Fund V (or any successor fund thereto), Bridge Workforce and Affordable Housing Fund I, Bridge Workforce and Affordable Housing Fund II (or any successor fund thereto), Bridge Single-Family Rental Fund IV (or any successor thereto), Bridge Seniors Fund I, Bridge Seniors Fund II, Bridge Seniors Fund III (or any successor thereto), Bridge Debt Strategies Fund I, Bridge Debt Strategies Fund II, Bridge Debt Strategies Fund III, Bridge Debt Strategies Fund IV (or any successor fund thereto), Bridge Opportunity Zone Fund I, Bridge Opportunity Zone Fund II, Bridge Opportunity Zone Fund III, Bridge Opportunity Zone Fund IV, Bridge Opportunity Zone Fund V, Bridge Opportunity Zone Fund VI (or any successor fund thereto), Bridge Office Fund I, Bridge Office Fund II, Bridge Office Opportunities Fund III (or any successor fund thereto), Bridge Agency MBS Fund (or any successor fund thereto), Bridge Solar Fund (or any successor fund thereto), Bridge Ventures Fund (or any successor fund thereto) or Bridge Net Lease Income Fund (or any successor fund thereto); (b) any Parallel Vehicle; (c) any Managed Account Vehicle (as defined below); (d) any fund or vehicle formed by the General Partner or its affiliates solely to invest in the Partnership; (e) any alternative investment vehicle or co-investment vehicle related to the Partnership; or (f) any fund or vehicle formed to make investments that would be precluded or materially limited by the limitations discussed under "Investment Limitations" above or other requirements hereof or applicable law or regulation (taking into account committed and reasonably reserved amounts) (any entity or vehicle pursuant to clauses (a) through (f), an "Exempted Fund") and (y) the Partnership shall have the first opportunity before any Competing Fund, after taking into account any investment to be made by an Exempted Fund, to acquire any equity investments sourced by the General Partner, Investment Manager or their respective Affiliates that are substantially similar to the types of investments to be made by the Partnership in accordance with the Investment Guidelines of the Partnership. For the avoidance of doubt, investment vehicles formed for the primary purpose of investing in (i) multifamily housing, manufactured housing communities, seniors housing, medical office, net lease properties (including net lease industrial and logistics), commercial office, retail or hospitality real estate assets, (ii) logistics properties that do not fall within the Investment Guidelines of the Partnership (including for the avoidance of doubt, investments with land costs at acquisition of \$65,000,000 or greater, and/or involving a development scheme which is multiphase, and/or a total project stabilization period with respect to such development which exceeds

36 months, or investments made in close geographic proximity to such development projects pursuant to customary rights offered to counterparties in such development projects in the ordinary course ("DTC Investments"), (iii) real estate-related debt and preferred equity investments, (iv) real estate assets located outside of the United States, or (v) any other assets that are not primarily equity investments in value-add and ground-up development logistics properties, will not be Competing Funds.

If the General Partner terminates the Commitment Period based on its good faith judgment that such cancellation is necessary or advisable, the General Partner and its affiliates will not close a Competing Fund until after the third anniversary of the Initial Closing. If a Competing Fund is organized after at least 75% of the aggregate Capital Commitments are invested in, or called for contribution for, or committed or reserved for, investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses, then, until the earlier of (a) the time at which at least 90% of the aggregate Capital Commitments have been invested in, called for contributions for or committed or reasonably reserved for contribution for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses ("Full Investment") and (b) the end of the Commitment Period, a Competing Fund may not close on any Investment, unless the investment by the Partnership in such Investment is legally or contractually prohibited or, as a result of the application of law, could have a material adverse effect on the Partnership or the General Partner; provided, that from the date of Full Investment until the end of the Commitment Period, if applicable, Investments will be allocated between the Partnership and the Competing Fund on a basis that the General Partner believes in good faith to be fair and reasonable including consideration of the deployment of remaining available capital.

Without the consent or ratification, as the case may be, of the Advisory Committee, the Partnership will neither invest in, acquire Investments from, nor sell Investments to, any entity (a) in which the General Partner or its affiliates has a material pre-existing economic interest or (b) which the General Partner or any of its affiliates is a manager of or controls either as a general partner of such entity or otherwise, other than (i) follow-on Investments; (ii) Warehoused Investments; (iii) Investments shared upon the initial investment therein with a Competing Fund or Exempted Fund; or (iv) follow-on Investments relating to Investments made pursuant to clause (iii) and made on a pro rata basis.

Affiliates of the General Partner and the Investment Manager currently manage investment funds and other investment vehicles that are currently in deployment which may have overlapping investment objectives with those of the Partnership, including Bridge Net Lease Income Fund, and such affiliates may in the future manage or advise new funds and other investment vehicles with overlapping investment objectives. In the event that an investment opportunity is suitable for the Partnership as well as another business, investment vehicle or account for which the General Partner or an affiliate acts as the general partner or investment adviser (or any other similar capacity), such investment opportunity will be allocated between the Partnership and such other vehicle in accordance with the Investment Manager's allocation policy, as may be amended from time to time (the "Allocation Policy").

**Restrictions on Non-Partnership Investments**

Except as otherwise described in this Memorandum, without the consent or ratification, as the case may be, of the Advisory Committee, none of the General

Partner, the Investment Manager or their respective affiliates will invest for themselves outside of the Partnership in equity investments in value-add and ground-up development logistics properties located in the United States from the Initial Closing until the earlier of the end of the Commitment Period and Full Investment (except as otherwise contemplated herein or in the Partnership Agreement). The foregoing sentence will not apply to (a) passive personal investments, if such investments are not made in direct ownership or control of such Investments, (b) any property which the General Partner, its affiliates or their respective partners, officers, members, shareholders, directors, agents or employees intends to occupy or use for business or residential purposes, (c) any investment made by an Exempted Fund, (d) investments that do not fall within the Investment Guidelines of the Partnership (including, for the avoidance of doubt, DTC Investments), or (e) investments in value-add or ground-up development logistics properties that the Investment Committee has determined in good faith the Partnership will not pursue, or with respect to which another Bridge-sponsored investment vehicle has priority pursuant to the Investment Manager's Allocation Policy.

If any other investment vehicle for which the General Partner or its affiliates acts as the general partner or investment advisor (or any other similar capacity) is not a Competing Fund (including any Managed Account Vehicle) and such other investment vehicle has any investment objectives or guidelines in common with those of the Partnership in any respect, then investment opportunities which are within such common objectives and guidelines will generally be allocated between the Partnership and such other vehicle on the basis that the General Partner believes in good faith to be fair and reasonable and in accordance with the Investment Manager's Allocation Policy. See Section IX — "Risk Factors and Conflicts of Interest."

#### **ERISA and Related Considerations**

The General Partner will use reasonable efforts either to (i) limit equity participation by "benefit plan investors" to less than 25% of the total value of each class of equity interests in the Partnership or (ii) structure investments of the Partnership and operate the Partnership in such a manner so as to qualify the Partnership as a "venture capital operating company" or "real estate operating company" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), so that the underlying assets of the Partnership should not constitute "plan assets" of any "benefit plan investor" which invests in the Partnership. Prospective investors should carefully review ERISA matters discussed under Section X — "Certain Regulatory, Tax, ERISA and Related Considerations" and should consult with their own advisors as to the consequences of making an investment in the Partnership.

#### **Excuse, Exclusion and Withdrawal**

A Limited Partner may be excused (in whole or in part) from funding an Investment if its participation would violate (a) any law or regulation to which it is subject or (b) its written investment policy that has been identified by such Limited Partner to the General Partner in writing prior to the Limited Partner's admission date. The General Partner may exclude a Limited Partner (in whole or in part) from participating in an Investment if the General Partner determines in good faith that a significant delay, extraordinary expense or material adverse effect on the Partnership or any of its affiliates in any Investment or prospective investment is likely to result from such Limited Partner's participation. The excused or excluded Limited Partner's Unfunded Commitment will not be reduced as a result of any excuse or exclusion and the General Partner may issue new calls for further Capital

Contributions; provided, that no Limited Partner will be obligated to contribute an amount in excess of such Limited Partner's Unfunded Commitment.

A Limited Partner may be required to withdraw from the Partnership (in whole or in part) if, in the reasonable judgment of the General Partner, by virtue of that Limited Partner's Interest: (a) assets of the Partnership may be characterized as plan assets of any plan, account or other arrangement for purposes of Title I of ERISA, Section 4975 of the Code, or other applicable similar law; (b) the Partnership or any Partner may be subject to any requirement to register under the 1940 Act; (c) a violation by the Limited Partner of (i) Section 4 of the Bank Holding Company Act of 1956, as amended, and the rules and regulations promulgated thereunder, each as amended from time to time ("BHC Act") or (ii) Section 10 of the Home Owners Loan Act of 1933, as amended, as the same may be further amended from time to time, or any successor statute, will result without such withdrawal; (d) a significant delay, extraordinary expense or material adverse effect on the Partnership or any of its affiliates in any Investment or any prospective investment is likely to result; or (e) in the General Partner's sole discretion, a violation of any law, rule or regulation is likely to result.

**Failure to Make  
Contributions/Default**

A Limited Partner that defaults in respect of its Unfunded Commitment, including failing to pay Management Fees or any other amount due to the Partnership, will be subject to the remedies contained in the Partnership Agreement, including forfeiture of 50% of its Interest (with a corresponding reduction in that Limited Partner's capital account). Each non-defaulting Limited Partner may be required to increase its Capital Contribution; provided, that no Limited Partner will be required to fund (i) any particular Capital Contribution in an amount exceeding 150% of such Limited Partner's required Capital Contribution had such default not occurred or (ii) amounts in excess of its Unfunded Commitments (other than the potential return of certain distributions previously made to such Limited Partner).

**Parallel Vehicles and  
Managed Account Vehicles**

The General Partner may create parallel funds (collectively, "Parallel Vehicles"). The Parallel Vehicles will generally invest proportionately in all Investments on a pro rata basis (based on available capital at the time of the initial acquisition thereof) and dispose of Investments on effectively the same terms and conditions and at approximately the same time as the Partnership, subject to applicable legal, tax or regulatory considerations, and will generally share on a pro rata basis (based on available capital at the time of consummation of each such investment) in expenses; provided, that if a Parallel Vehicle does not have sufficient available capital to fund its pro rata share of an Investment, such unfunded portions may be allocated to the Partnership and the other Parallel Vehicles proportionally based on such party's capital commitments. The Limited Partners in a Parallel Vehicle may vote independently in relation to matters affecting only the particular entity in which they are a Limited Partner and on a combined basis in relation to matters affecting the Partnership and its Parallel Vehicles as a whole. All references herein to the Partnership will also be references to any Parallel Vehicles unless the context otherwise indicates. The General Partner expects to form a Parallel Vehicle for investment by non-U.S. investors.

The General Partner, the Investment Manager and their affiliates reserve the right to raise and manage one or more managed accounts or other similar arrangements structured through an entity (collectively, "Managed Account Vehicles") for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that

overlap with, those of the Partnership, which Managed Account Vehicles may co-invest with the Partnership and its Parallel Vehicles. Such co-investments may or may not be on the same terms and conditions, or at the same time as, the Investments made by the Partnership and its Parallel Vehicles. See Section IX — “Risk Factors and Conflicts of Interest.”

#### **Feeder Vehicles**

The General Partner may, in its sole discretion, form one or more U.S. or non-U.S. feeder entities (each, a “Feeder Vehicle”) for certain investors for the purpose of making their investment through such Feeder Vehicle. Investors in any Feeder Vehicle will have indirect Interests on substantially the same economic terms as the other investors in the Partnership; provided, that expenses specific to a Feeder Vehicle may be allocated solely to that Feeder Vehicle. With respect to certain Investments of the Partnership that generate income that is effectively connected with the conduct of a U.S. trade or business, a Feeder Vehicle may hold such Investments through entities that are treated as U.S. corporations for U.S. federal income tax purposes. While it is the intention of the Partnership that such a structure may be expected to minimize or eliminate direct reporting of effectively connected income from such Investments and avoid the branch profits tax, such a structure would not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with such an Investment. Prospective investors should carefully review the tax and ERISA matters discussed in “Regulatory, Tax, ERISA and Related Considerations” and should consult with their own advisors as to the consequences of making an investment in the Partnership through a Feeder Vehicle. See Section X — “Certain Regulatory, Tax, ERISA and Related Considerations.”

#### **Alternative Investment Vehicles**

Alternative investment vehicles (each, an “Alternative Investment Vehicle”) in which one or more Limited Partners may be required to invest outside the Partnership may be used by the General Partner if the General Partner determines in good faith that for legal, tax, regulatory, accounting or other similar considerations it is in the best interest of some or all of the Partners that an Investment (or a portion thereof) be made through an Alternative Investment Vehicle. Any applicable carried interest will generally be calculated based on the aggregate Investment proceeds of the Partnership and all related Alternative Investment Vehicles. Expenses associated with Alternative Investment Vehicles may be allocated solely to the participants therein, as determined in good faith by the General Partner; provided, that to the extent such Alternative Investment Vehicle is formed for the benefit of some but not all of the participants therein, the expenses associated with such Alternative Investment Vehicle may be allocated to those benefiting thereby, as determined in good faith by the General Partner.

#### **REIT Subsidiaries**

The General Partner may cause the Partnership and/or a Parallel Vehicle to form and/or make one or more investments through one or more subsidiaries (each a “REIT Subsidiary”) that is intended to qualify as a real estate investment trust for U.S. federal income tax purposes (a “REIT”). If the Partnership or a Parallel Vehicle forms a REIT Subsidiary, as applicable, the General Partner may impose limits on the ownership and transfer of interests in the Partnership or such Parallel Vehicle (and may impose remedies for violations of any such ownership and/or transfer limitations), and require any Limited Partner, as a precondition to actually or constructively owning interests in excess of such limitations, to make such representations and covenants, in each case as are determined in good faith by

the General Partner to be necessary or desirable for the REIT Subsidiary to maintain its status as a REIT.

#### **Qualifying Sales**

Pursuant to the terms of the Partnership Agreement, the General Partner may effect a sale, merger, consolidation or other transfer of the Partnership or all or a significant portion of the Partnership's interests or assets to (i) a REIT or other real estate operating company organized to consolidate and acquire control of the investments of the Partnership and/or other assets, investment vehicles and/or management or advisory companies or businesses controlled by the General Partner, the Investment Manager or their respective affiliates, or acquired from third parties in connection with the relevant transactions, and which is either publicly traded or listed on a national securities exchange or is expected to become publicly traded or listed on a national securities exchange in connection with or at some point following such transaction (a "REIT Offering"), (ii) a person that is not an affiliate of the General Partner or Investment Manager at the time of such transaction and will not be controlled by the General Partner or Investment Manager after and as a result of such transaction and/or (iii) any affiliate of the General Partner or Investment Manager or of the Partnership, any related party or any other person in a transaction approved by the Advisory Committee (each such transaction, including a REIT Offering, a "Qualifying Sale"). In such event, each Limited Partner will participate in such Qualifying Sale on the same terms and conditions and for such consideration as is set forth in the Partnership Agreement.

#### **Valuation**

The General Partner will periodically value Investments using a fair value methodology determined by the General Partner in its sole discretion.

#### **Certain Tax Matters**

It is intended that, for U.S. federal income tax purposes, the Partnership will be treated as a partnership and will not be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code. As a result, each Limited Partner will be required to include in computing its U.S. federal income tax liability its distributive share of the Partnership's income, loss, deduction and credit, regardless of whether any distributions have been made by the Partnership to that Limited Partner.

Each prospective investor should carefully review the matters discussed under Section IX – "Risk Factors and Conflicts of Interest" and Section X – "Certain Regulatory, Tax, ERISA and Related Considerations" and is advised to consult its own advisors as to the tax consequences of an investment in the Partnership.

State Tax Returns. Limited Partners will likely be required to file state tax returns, or may find it advisable to file state tax returns even for years when not required, in those states where the Partnership owns properties or where they or the Partnership does business, regardless of the Limited Partner's state of residence.

Each prospective Limited Partner is advised to consult its own tax advisor as to the income tax consequences of an investment in the Partnership, including the application of state, local and non-U.S. tax laws.

#### **UBTI/ECI Considerations**

The Partnership is expected to make Investments that result in the incurrence of unrelated business taxable income ("UBTI") by Tax-Exempt Limited Partners (as defined herein). **Each prospective Tax-Exempt Limited Partner should consult its**

**own tax and other advisors as to the incurrence of UBTI and the other income tax consequences of an investment in the Partnership.**

The Partnership is expected to make Investments that result in the incurrence of income that is effectively connected with a U.S. trade or business ("ECI") and commercial activity income ("CAI") by Non-U.S. Limited Partners (as defined herein). **Each prospective Non-U.S. Limited Partner should consult its own tax and other advisors as to the consequences of the incurrence of ECI and CAI and the other income tax consequences of an investment in the Partnership.** In addition, each prospective Non-U.S. Limited Partner should consult its own tax and other advisors in determining the possible tax, exchange control or other consequences to it under the laws of the jurisdictions of which it is a citizen, resident or domiciliary, in which it conducts business or in which it is otherwise subject to tax, of the purchase and ownership of Interests.

The General Partner may form one or more Parallel Vehicles, REIT Subsidiaries, blocker corporations, feeder corporations or other structures to minimize the amount of UBTI realized by Tax-Exempt Limited Partners and the amount of ECI realized by Non-U.S. Limited Partners. Such structures may substantially increase the amount of U.S. taxes indirectly borne by such Limited Partners, particularly Non-U.S. Limited Partners.

#### **Risk Factors and Certain Considerations**

An investment in the Partnership is speculative and involves substantial risks, is subject to actual and potential conflicts of interest among the General Partner, the Investment Manager and the Partnership, and should only be considered by investors able to assume the risk of loss. See Section IX— "Risk Factors and Conflicts of Interest."

#### **Amendments; Side Letters**

Except as required by law and subject to certain limitations set forth therein, the Partnership Agreement may be amended from time to time with the consent of the General Partner and a majority in Interest of the Limited Partners. In certain circumstances described in the Partnership Agreement, the General Partner may unilaterally amend the Partnership Agreement (including to accommodate changes negotiated with Limited Partners at Subsequent Closings, subject to certain limitations).

The Partnership or the General Partner, without any further act, approval or vote of any Partner, may enter into side letters or other writings with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement. Any rights established, or any terms of the Partnership Agreement altered or supplemented in a side letter with a Limited Partner, will govern with respect to such Limited Partner notwithstanding any other provision of the Partnership Agreement. These rights may include, but are not limited to, certain economic rights, co-investment rights, voting rights, information rights, and excuse rights (which right if exercised may result in other Limited Partners' indirect ownership percentage of such Investment being higher than their pro rata Capital Commitment percentage). Additional benefits given to a Limited Partner will not necessarily be available to other Limited Partners.

#### **Legal Counsel**

DLA Piper LLP (US) ("DLA"). To the fullest extent permitted by law, DLA does not represent or owe any duty to any Limited Partner or to the Limited Partners as a group in connection with the Partnership. DLA does not investigate or verify the

accuracy and completeness of information set forth herein or in any other disclosures concerning the Partnership, General Partner, the Investment Manager, their respective affiliates or their respective personnel. Representation of the General Partner and its affiliates by DLA is limited to specific matters as to which DLA has been consulted by the General Partner and its affiliates. There may exist other matters that could have a bearing on the Partnership, the General Partner or their respective affiliates for which DLA has not been consulted. DLA does not undertake to monitor the compliance of the General Partner, the Partnership or their respective affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws.

Each prospective investor acknowledges and gives its informed consent that in connection with the formation of the Partnership and the issuance of Interests: (i) DLA represents the General Partner and the Investment Manager; (ii) DLA does not represent any Limited Partner or prospective investor in the Partnership in its capacity as such nor owe any duties to any Limited Partner or prospective investor; (iii) each Limited Partner and prospective investor waives any actual or potential conflict arising with respect to the foregoing; (iv) DLA is not under any obligation to share with any Limited Partner any confidential information DLA obtains from Bridge or any other person, even if material to the Limited Partner's interest; and (v) in the event of any dispute or litigation, DLA may continue to represent the General Partner, the Investment Manager and/or their affiliates. DLA has not undertaken an evaluation of the merits of an investment in the Partnership.

**Auditors**

Deloitte & Touche LLP or another nationally recognized public accounting firm selected by the General Partner.

**Partnership Administrator**

The General Partner expects to initially engage Bridge Fund Financial Services LLC, an affiliate of the General Partner, as the Partnership's fund administrator.

**General Partner Contact  
Information**

Inquiries should be directed to:

Bridge Logistics Value Fund II GP LLC  
c/o Bridge Investor Relations  
Phone: +1 (877) 866-4540  
Email: [investorrelations@bridgeig.com](mailto:investorrelations@bridgeig.com)



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**IX. RISK FACTORS AND CONFLICTS OF INTEREST**

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**CERTAIN RISKS**

*Investment in the Partnership entails a high degree of risk and is suitable only for sophisticated individuals and institutions for whom an investment in the Partnership does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Partnership. Prospective investors should carefully consider the following risk factors, among others, in determining whether an investment in the Partnership is a suitable investment. There can be no assurance that the Partnership will be able to achieve its investment objectives, and investment results may vary substantially on an annual basis.*

**Disease, Epidemics and Pandemics**

A serious epidemic or pandemic, or fear of such an event, could severely disrupt global, national and/or regional economies. Since March 2020, there has been an outbreak of a novel and highly contagious form of coronavirus. Coronavirus has resulted in and could continue to result in, and renewed outbreaks of other epidemics or new epidemics could result in, health or other government authorities taking certain actions to limit exposure to a contagious illness, which could result in a general economic decline. For example, governments in affected countries have launched measures to combat the spread of coronavirus, including travel and transportation bans, quarantines and lock-downs of affected areas. These and other similar measures may materially and adversely impact economic fundamentals, consumer confidence, supply chains and logistical networks, the market value of Investments, market volatility, and the availability of credit, each of which could have an adverse effect on the Partnership's Investments. Moreover, the Partnership's operations could be negatively affected if employees are subject to travel restrictions or vaccine mandates or are quarantined as the result of, or in order to avoid, exposure to a contagious illness. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. No assurance can be given as to the effect of these events on the value of the Partnership's Investments, and these events may have a significant adverse impact on the Partnership's performance.

**Business Continuity Plans**

In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, the General Partner will initiate its business continuity plan, led by a crisis management team, which aims to ensure that its employees have the resources and technology necessary to continue their responsibilities and meet investment property and investor needs. This business continuity plan is generally tested at least annually, and periodically assessed by a third-party consultant, to ensure that appropriate measures are put in place to manage any such catastrophic events. However, the General Partner is not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of the plan to succeed in a time of crisis. Thus, its business continuity plan may be insufficient to continue operating the General Partner's business as usual. The failure of the business continuity plan for any reason could cause significant interruptions in the General Partner's, the Partnership's and/or an investment property's operations. Moreover, General Partner's business continuity plan and crisis management team may not be able to effectively control or manage these risks at the individual property level.

The Investment Manager initiated its business continuity plan in response to the spread of COVID-19. The General Partner's offices have been closed intermittently since the onset of COVID-19 and certain of the Investment Manager's employees have worked and continue to work remotely. The Investment Manager's employees have the necessary technology to meet investor and property-level needs, including access to laptops with remote working capabilities and audio and video conferencing technology, and the Investment Manager's servers are capable of handling its workforce working remotely. If employees test positive for COVID-19, such employees are self-quarantined and any potentially exposed employees are promptly notified through contact tracing. The Investment Manager may limit non-essential travel, though the investment team expects to remain in ongoing contact with each other and with the firm's investments. However, the implementation of the business continuity plan could affect the ability of the General

Partner and the Investment Manager to operate effectively, including the ability of personnel to function, communicate and carry out the Partnership's investment strategies and objectives.

The General Partner's and the investment properties' response to COVID-19 will continue to develop as the pandemic conditions continue to develop and the operational changes could adversely affect the General Partner, the Partnership and the Investments.

### **Valuation / Market Conditions**

World financial markets have experienced extraordinary market disruptions recently, including, among other things, extreme volatility in securities and energy markets. In reaction to these events, regulators in the United States and several other countries have undertaken exceptional regulatory actions in recent months, including interest rate cuts and halting market trading. Ongoing volatility in the world financial markets may negatively affect the valuation of the Partnership and its Investments and may impair the General Partner's ability to accurately value the Investments. Valuation estimates may cause uncertainty in the performance of the Investments and the Partnership.

### **Limited Operating History**

Although the Investment Manager, Investment Committee Members and other key personnel of the General Partner and the Investment Manager have extensive experience investing in and structuring real estate properties and real estate-related businesses and entities, the Partnership and the General Partner are newly formed entities with no operating history. Bridge Logistics Value Fund I was inceptioned in 2021 and returns for that fund are not yet meaningful and would not offer a complete picture of the total anticipated return for the strategy implemented by the Partnership. As a result, an investment in the Partnership may entail more risk than an investment in a company with a substantial operating history.

### **Lack of Registration Under 1940 Act**

The Partnership and each Parallel Vehicle will not be registered as an investment company under the 1940 Act, in reliance upon exemptions available to privately offered investment companies. Consequently, Limited Partners will not have the benefit of certain protections afforded to investors in investment companies registered under the 1940 Act. The 1940 Act provides certain protections to investors and imposes certain restrictions on registered investment companies (including, for example, limits on leverage, a requirement that securities be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibitions on a fund from engaging in certain transactions with its affiliates or its investment manager), none of which will be applicable to the Partnership.

### **Forward-Looking Statements**

To the extent that this Memorandum contains forward-looking statements, including observations about investment performance, markets and industry and regulatory trends, such forward-looking statements are made as of the original date of this Memorandum unless otherwise expressly stated. Forward-looking statements may typically be identified by, among other things, the use of words such as "may," "will," "could," "should," "plan," "predict," "potential," "forecast," "project," "target," "continue," "intends," "expects," "anticipates," "believes," "seeks" or "estimates," or the negatives of these terms, and similar expressions. All statements other than statements of historical facts are "forward-looking statements" for purposes of this Memorandum. Such statements reflect the General Partner's views as of the date of this Memorandum with respect to possible future events and are provided for informational purposes only. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond any of the Partnership's, the General Partner's or the Investment Manager's control. No representation or warranty is given as to the achievement or reasonableness of any forward-looking statements contained herein. Prospective investors are cautioned not to place undue reliance on such statements. None of the General Partner or its affiliates have an obligation to update any of the forward-looking statements in this Memorandum.

Both projections and the assumptions underlying the projections are inherently uncertain, have various inherent limitations and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties. Unlike an actual performance record, unrealized results do not represent actual performance. There are frequently sharp differences between unrealized performance results and the actual results subsequently achieved. There are numerous factors related to the effects of changing market and economic conditions, including the availability of suitable investments, the uncertainty of future operating results of investments and the timing of asset acquisitions and disposals, that cannot be fully accounted for in the preparation of unrealized results and all of which can adversely affect actual results.

### **Contribution of Investments by Seed Vehicle**

A subsidiary of the Seed Vehicle, which is an affiliate of the Partnership, is expected to be admitted to the Partnership as a Limited Partner as of the Initial Closing. In connection with its admission, a portion of such subsidiary's Capital Commitment will be funded via in-kind Capital Contributions of the Seed Vehicle Investments with an agreed fair market value equal to the Conversion Value. As a result of such in-kind Capital Contributions, the Partnership will acquire the Seed Vehicle Investments previously held by the Seed Vehicle. See Section VIII — "Detailed Summary of Terms – Contribution of Investments by the Seed Vehicle at the Initial Closing."

No independent third-party valuation of the Seed Vehicle Investments will be obtained as of the Initial Closing, and there can be no assurance that the General Partner's valuation of such Seed Vehicle Investments will be accurate as of the Initial Closing. There can also be no assurance that the value of such contributed Seed Vehicle Investments will not decrease during the period in which they are held by the Seed Vehicle or the Partnership.

Although the Seed Vehicle is expected to receive a portion of the Carried Interest distributions which the General Partner is entitled to receive, the Seed Vehicle is not involved in the day-to-day management of the Partnership, and the Seed Vehicle has no control over the investment decisions of the Partnership.

### **Reliance on Key Management Personnel**

The success of the Partnership will depend, in large part, upon the skill and expertise of the Investment Committee Members and other key involved persons described in Section VII — "The General Partner, the Investment Manager and Management Overview." These individuals are under no contractual obligation to remain with the General Partner, the Investment Manager or the Partnership or to continue holding their interests or financial incentives therein and are not required to devote all of their time to the Partnership's affairs. If the General Partner were to lose the services of any of these key personnel, the financial condition and operations of the Partnership could be materially adversely affected. There can be no assurance that these key personnel will continue to be affiliated with the Partnership throughout its term. In addition, if the management team cannot agree on decisions affecting the Partnership, it may adversely impact the investment results of the Partnership, or result in the loss of one or more of the members of the management team. In such event, the Partnership could have a diminished capacity to obtain investment opportunities and to structure and execute its potential investments and dispositions. The Partnership may not be able to successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management. See Section VIII — "Detailed Summary of Terms – Key Person Event."

## **No Right to Control the Partnership's Operations**

Limited Partners have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Partnership and must rely entirely on the General Partner and the Investment Manager to conduct and manage the affairs of the Partnership. The persons controlling the General Partner and the Investment Manager may change from time to time without the vote or consent of Limited Partners, except as required by nonwaivable provisions of applicable law. In the limited areas where the Limited Partners have the right to consent to or to take certain actions, it should be noted that the Limited Partners and the limited partners of the Parallel Vehicles generally vote on all matters on a combined basis as set forth in the Partnership Agreement. Accordingly, action by limited partners in a Parallel Vehicle could affect the Partnership.

## **Compensation Arrangement with the General Partner**

The Carried Interest allocation to be made to the General Partner may create an incentive for the General Partner to make Investments that are riskier or more speculative than the Investments the General Partner would otherwise recommend if its compensation did not include a Carried Interest component.

## **Availability of Suitable Investments**

Purchasers of the Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments to be made by the Partnership and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Investment Manager in investing and managing the capital of the Partnership. The activity of identifying, completing and realizing on appropriate investments is highly competitive and involves a high degree of uncertainty. In general, the availability of desirable investment opportunities and the Partnership's investment returns will be affected by general economic and market conditions, the level and volatility of interest rates, and conditions in the financial markets. There can be no assurance that the Partnership will be able to locate and complete investments that satisfy the Partnership's investment criteria and rate of return objectives or realize upon their values or that it will be able to fully invest its available capital. However, Limited Partners will generally be required to pay a portion of the Management Fee during the Commitment Period based on the entire amount of their Capital Commitments.

## **Substantial Competition for Suitable Investments**

The Partnership will be competing for investments with many other real estate investment vehicles, as well as individuals, operating companies, financial institutions (such as REITs, mortgage banks, pension funds and real estate operating companies) and other institutional investors, including potentially with other funds managed by Bridge or investors in the Partnership. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Partnership and adversely affecting the terms upon which Investments can be made. The Partnership may incur bid, due diligence or other costs on investments that may not be successful or may not be completed at all. As a result, the Partnership may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on the Partnership with respect to the price of a transaction. There can be no assurance that investments of the type in which the Partnership may invest will continue to be available for the Partnership's investment activities or that available investments will meet the Partnership's investment criteria. Further, to the extent suitable investments are available, there can be no assurance that if such investments are made, the objectives of the Partnership will be achieved.

## **Restrictions on Transfer and Withdrawal**

Interests have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration under the Securities Act or other securities laws will ever be effected. Interests may only be offered,

sold or transferred to individuals or entities who or which are qualified investors under applicable securities laws. Furthermore, there is no public market for the Interests and none is expected to develop. Each Limited Partner will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution. Each Limited Partner must be prepared to bear the economic risk of an investment for an indefinite period of time. A Limited Partner will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Interest, except by operation of law, without the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. Except in extremely limited circumstances, voluntary withdrawals from the Partnership will not be permitted.

### **No Assurance of Investment Return**

The General Partner and the Investment Manager cannot provide assurance that they will be able to choose, make, and realize investments in any particular type of Investment. There can be no assurance that the Partnership will be able to generate returns for the Limited Partners or that the returns will be commensurate with the risks of investing in the type of assets, securities, companies and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Partnership, including a return of their investment capital. There is no assurance that any benefits or advantages to Limited Partners suggested or implied in this Memorandum will be available or accomplished. There can be no assurance that projected or targeted returns for the Partnership will be achieved. Accordingly, an investment in the Partnership should only be considered by persons who can afford a loss of their entire investment.

### **Illiquid Investments**

The Partnership intends to invest in real estate properties and real estate businesses for which the number of potential purchasers and sellers, if any, is often very limited. This factor may have the effect of limiting the availability of these investments for purchase by the Partnership and may also limit the ability of the Partnership to adjust its investing strategy in response to adverse changes in the performance of Investments or changes in economic or market trends. As a result of the Partnership's illiquid investments, there may be little or no near-term cash flow available to the Limited Partners. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to investors. Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value, which could limit the Partnership's ability to realize the value at which such assets are carried if the Partnership is required to dispose of them. The Partnership's inability to sell individual or portfolios of commercial office properties on acceptable terms and/or in accordance with the Partnership's anticipated timing could materially and adversely affect the Partnership's returns and financial condition.

### **Long-Term Investment**

Investment in the Partnership requires a long-term commitment, with no certainty of return. The return of capital and realization of gains, if any, from an Investment will generally occur only upon the partial or complete disposition or refinancing of such Investment. Limited Partners should therefore expect that they will not receive a return of capital for an extended period of time. Thus, an investment in the Partnership is not suitable for an investor who needs liquidity.

### **Suboptimal Tenant Underwriting and Tenant Defaults**

The Partnership's success will depend, in large part, upon its ability to attract and retain qualified tenants for its properties. This will depend, in turn, upon the Partnership's ability to screen applicants, identify good tenants and avoid tenants who may default. The Partnership will inevitably make mistakes in its selection of tenants, and the Partnership may rent to tenants whose default on the Partnership's leases or failure to comply with the terms of the lease or applicable regulations could materially and adversely affect the Partnership. For example, tenants may default on payment of rent; make unreasonable and repeated demands for service or improvements; make unsupported or unjustified complaints to regulatory or political authorities; make use of the Partnership's properties for illegal

purposes; damage or make unauthorized structural changes to the Partnership's properties that may not be fully covered by security deposits; refuse to leave the property when the lease is terminated; engage in workplace violence or similar disturbances; disturb nearby tenants with noise, trash, odors or eyesores; sub-let to less desirable tenants in violation of the Partnership's leases or permit unauthorized persons to occupy the premises. Furthermore, some tenants facing eviction may damage or destroy the property. Damage to the Partnership's properties may significantly delay re-leasing after eviction, necessitate expensive repairs, reduce the rental revenue generated by the property or impair its value. In addition, the Partnership will incur turnover costs associated with re-leasing the properties, such as marketing expenses and brokerage commissions, and will not collect revenue while the property is vacant. Although the Partnership will attempt to work with tenants to prevent such damage or destruction, there can be no assurance that the Partnership will be successful in all or most cases. Such tenants will not affect the Partnership's ability to achieve its financial objectives, but may subject the Partnership to liability and may damage the Partnership's reputation with its other tenants and in the communities where the Partnership does business.

### **Relying on Information Supplied by Prospective Tenants**

The Partnership relies on information supplied to the Partnership by prospective tenants in their rental applications as part of the Partnership's due diligence process to make leasing decisions, and the Partnership cannot be certain that this information is accurate. In particular, the Partnership relies on information submitted by prospective tenants regarding business income, company history, and size of company. Moreover, these applications are submitted to the Partnership at the time the Partnership evaluates a prospective tenant, and the Partnership may not require tenants to provide the Partnership with updated information during the terms of their leases, notwithstanding the fact that this information can, and frequently does, change over time. Even though this information is not updated, the Partnership will use it to evaluate the overall average credit characteristics of its tenant base over time. If tenant-supplied information is inaccurate or the Partnership's tenants' creditworthiness declines over time, the Partnership may make poor leasing decisions, and the Partnership's portfolio may contain more credit risk than the Partnership initially believes.

### **Contingent or Unknown Liabilities**

The Partnership may acquire properties that are subject to contingent or unknown liabilities for which the Partnership may have limited or no recourse against the sellers. Unknown or contingent liabilities might include liabilities for or with respect to liens attached to properties, unpaid real estate tax, utilities or other charges for which a subsequent owner remains liable, clean-up or remediation of environmental conditions or code violations, claims of customers, vendors or other persons dealing with the acquired entities and tax liabilities, among other things. Purchases of properties acquired from lenders or in portfolio purchases may involve fewer or no representations or warranties with respect to the properties. Such properties may have unpaid tax, utility and other liabilities for which the Partnership may be obligated but failed to anticipate. In each case, the Partnership's acquisition may be without any, or with only limited, recourse against the sellers with respect to unknown liabilities or conditions. As a result, if any such liability were to arise relating to the Partnership's properties, or if any adverse condition exists with respect to the Partnership's properties that is in excess of its insurance coverage, the Partnership might have to pay substantial amounts to settle or cure it, which could adversely affect the Partnership's financial condition, cash flows and operating results.

In addition, the properties the Partnership may acquire may be subject to covenants, conditions or restrictions that restrict the use or ownership of such properties, including prohibitions on leasing or requirements to obtain the approval of certain regulatory authorities prior to leasing. The Partnership may not discover such restrictions during the acquisition process, and such restrictions may adversely affect the Partnership's ability to utilize such properties as it intends. Municipalities, counties, or other regulatory authorities could also enact new covenants, ordinances, moratoria, or other regulations restricting or prohibiting leasing, which could adversely affect the Partnership's ability to acquire, develop, or utilize properties.

## **Exposure to General Uninsured Losses**

The Partnership's comprehensive liability, fire and extended coverage insurance of each of its properties and tenants, and for compliance with applicable laws, may be insufficient or unavailable, the Partnership may fail to acquire such insurance, or such insurance may lapse. As a result, the Partnership may incur material uninsured or underinsured losses. Additionally, there are certain types of extraordinary losses, such as, for example, losses for terrorism, earthquakes and hurricanes and certain mold-related claims, for which the Partnership may not have insurance coverage. In the event of a substantial loss, insurance coverage may not be able to cover the current market value of replacement costs of the Partnership's lost investment. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also affect the Partnership's ability to replace or renovate property in its portfolio after it has been damaged or destroyed.

## **Changes in Laws**

The ability to acquire, develop, and enhance a property is highly dependent on various governmental agencies. Any shift in the political landscape may significantly impact the Partnership's investment timing and its ability to realize its investment objectives. Agencies, city governments or legal challenges by civic or community groups may retroactively change zoning or development conditions that must be satisfied or a broad moratorium on the issuance of entitlements may be imposed. Changes in local, state or federal tax, real estate and zoning laws, including changes to building codes and fire and life safety codes and changes in laws, rules or regulations increasing liability for environmental conditions, restricting discharges, or otherwise affecting the use and operation of the real estate or the taxation of real estate, may result in significant unanticipated expenditures and may reduce the returns generated by the Partnership's investments. If a property is not in compliance with applicable laws, the Partnership may be required to make modifications to bring it into compliance, or face the possibility of an imposition of fines or an award of damages to private litigants. In addition, any property or a portion of property owned by the Partnership could become subject to eminent domain or inverse condemnation action. While the Partnership may seek to contest these proceedings which may be costly and may divert the attention of management from the operation of the Partnership, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Partnership. Such an action could have a material adverse effect on the marketability of the property and the Partnership's return on investment.

## **Increase in Real Estate-Related Taxes**

Some local real property tax assessors reassess properties as a result of the acquisition of such property. From time to time, property taxes also increase as property values or assessment rates changes or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. The Partnership may not be able to pass through such tax increases to tenants and lessees. Increases not passed through to tenants or lessees may adversely affect the Partnership's returns.

## **Costs to Comply with Environmental Laws**

The Partnership's operations and properties will be subject to various federal, state and local laws and regulations concerning the protection of the environment, including air and water quality, hazardous or toxic substances and health and safety. Under some environmental laws, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property. The owner or operator may also be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may impair the Partnership's ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality, including those that can require the abatement or removal of asbestos-containing materials in the event of damage, demolition, renovation or remodeling and also govern emissions of and exposure to asbestos fibers.

in the air. The maintenance and removal of lead paint and certain electrical equipment containing polychlorinated biphenyl (PCBs) and underground storage tanks are also regulated by federal and state laws. The Partnership may also be subject to risks associated with human exposure to chemical or biological contaminants, such as molds, pollens, viruses and bacteria which, above certain levels, can be alleged to be connected to allergic or other health effects and symptoms in susceptible individuals. The Partnership could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or related claims arising out of environmental contamination or human exposure at or from the Partnership's properties.

Each of the Partnership's properties will be subject to various degrees of environmental assessment. However, identification of new compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, discovery of additional sites, human exposures to the contamination or changes in cleanup or compliance requirements could result in significant costs to the Partnership.

### **Investments Longer than Term**

The Partnership may make investments that may not be advantageously disposed of prior to the date that the Partnership will be dissolved, either by expiration of the Partnership's term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or will be suitable for in-kind distribution at dissolution, the Partnership may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

### **Dilution from Subsequent Closings**

Limited Partners that are admitted or increase their Capital Commitment at Subsequent Closings will generally participate in existing Investments of the Partnership, diluting the interest of existing Limited Partners that do not determine to increase their Capital Commitment. Although such Limited Partners will contribute their *pro rata* share of previously made Partnership draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Partnership's existing Investments at the time such additional Limited Partners subscribe for Interests.

### **Recycling; Reinvestment**

During the Commitment Period, proceeds distributable (or previously distributed) to the Partners that constitute a return of Capital Contributions may be retained and reinvested (or recalled for reinvestment) or recalled for use for any purpose permitted under the Partnership Agreement. Accordingly, a Limited Partner may be required to fund an aggregate amount in excess of its Capital Commitment during the term of the Partnership, and to the extent such recalled or retained amounts are reinvested in investments, a Limited Partner will remain subject to investment and other risks associated with such investments.

### **Failure to Fund Capital Commitments; Consequences of Default**

If a Limited Partner fails to pay installments of its Capital Commitment when due, and the contributions made by non-defaulting Limited Partners and borrowings by the Partnership are inadequate to cover the defaulted Capital Contribution, the Partnership may be unable to meet its obligations when due. As a result, the Partnership may be subjected to significant penalties that could limit opportunities for Investment diversification and materially adversely affect the returns of the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the Partnership Agreement, including, without limitation, forfeiture of its capital account balance, a forced sale of its Interests at a reduced value and preclusion from further investment in or sharing in gains of the Partnership. The General Partner will retain the discretion to employ such remedies in respect of a Limited Partner's default as it may determine on a case-by-case basis in its sole discretion. There is no requirement that remedies be applied consistently among defaulting Limited Partners, and the General Partner may determine for a variety of reasons to apply different remedies to different defaulting Limited Partners.



## **Mandatory Withdrawal**

Under certain circumstances, the General Partner may require a Limited Partner to withdraw from the Partnership. A Limited Partner required to withdraw from the Partnership could suffer a material loss on its investment and the other Limited Partners may be required to make additional pro rata contributions of capital in respect of investments made after such withdrawal, subject to certain limitations in the Partnership Agreement.

## **Exclusion**

Under certain circumstances, the General Partner may prohibit a Limited Partner from participating in an Investment. Exclusion of any Limited Partner's participation in one or more investments would reduce the diversification for both the excluded Limited Partner and the other Limited Partners and could magnify the adverse impact on the Limited Partners of any investment's underperformance.

## **Early Termination of the Partnership**

It is possible that the Partnership may be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in Limited Partners not having their capital invested and/or deployed in the manner originally contemplated).

## **No Approval or Consent Rights Upon a Qualifying Sale**

Pursuant to the terms of the Partnership Agreement, the General Partner may effect a Qualifying Sale, including a REIT Offering, without the approval or consent of Limited Partners. In such event, each Limited Partner will participate in the Qualifying Sale on the same terms and conditions and for such consideration as is set forth in the Partnership Agreement. In connection with a REIT Offering, the value of the Partnership's assets and/or interests to be contributed to the REIT and the consideration to be received by Limited Partners will be determined by the General Partner in its good faith discretion taking into account the factors described in the Partnership Agreement, and will not be based on any third-party valuations or appraisals. As a result, such consideration may be less than the book value or fair market value of the Partnership's assets and/or interests to be contributed to the REIT.

## **General Economic and Market Conditions**

The real estate industry generally and the success of the Partnership's investment activities will both be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. These factors may affect the level and volatility of investment prices and the liquidity of the Partnership's Investments, which could impair the Partnership's profitability or result in losses. In addition, general fluctuations in interest rates may affect the Partnership's investment opportunities and the value of the Partnership's Investments. A sustained downturn in the United States or global economy (or any particular segment thereof) could adversely affect the Partnership's profitability, impede the ability of the Partnership's portfolio entities to perform under or refinance their existing obligations and impair the Partnership's ability to effectively exit its Investments on favorable terms. The Partnership's investments will be concentrated in the industrial and logistics real estate sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for the Partnership's investments and the Partnership's concentration in the industrial sector may expose the Partnership to the risk of economic downturns in such sector to a greater extent than if the Partnership's business activities included a more significant portion of other sectors of the real estate industry. In addition to global volatility resulting from COVID-19, which is more particularly described in the paragraph entitled "Disease, Epidemics and Pandemics" and "Valuation / Market Conditions," recent volatility in global stock markets related to increases in interest rates in the United States, global trade tensions (including trade tensions between the United States and its major global trading partners, such as China, Mexico, Canada, the European Union and Russia ), the outbreak of war and other hostilities in Eastern Europe and elsewhere and volatility in oil markets may have a material adverse effect

on the volatility of investment prices and the liquidity of the Partnership's Investments, as well as global economic conditions generally.

### **Russia-Ukraine Conflict**

The Russian Federation invaded Ukraine on February 24, 2022. Geopolitical tensions have risen significantly in response and the United States, the United Kingdom, EU member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as other countries and various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long they will last. Depending on direction and timing, the Russian Federation-Ukraine conflict may significantly exacerbate the normal risks associated with the Partnership and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for investments; (v) available credit in certain markets; (vi) import and export activity from certain markets; and (vii) laws, regulations, treaties, pacts, accords, and governmental policies. Economic and military sanctions related to the Russian Federation-Ukraine conflict, or other conflicts, have the potential to gravely impact markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. Moreover, it is expected that the Russian Federation-Ukraine military conflict could spark further sanctions and/or military conflicts which will impact other regions. The foregoing could seriously impact the Partnership's operations and its ability to realize its investment objectives in a timely manner.

### **Concentration of Investments.**

The Partnership will participate in a limited number of investments primarily in the industrial real estate sector and intends to make most of its investments in certain regions within a short period of time. As a result, the Partnership's investment portfolio is expected to be highly concentrated, and the performance of a few holdings or of a particular region may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Partnership may invest in fewer real estate and real estate-related assets and thus be less diversified.

### **Nature of Debt Securities**

The debt securities in which the Partnership may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

### **Investments in Commercial Property Loans**

Some of the Investments of the Partnership may be backed by or composed of loans made with respect to a variety of commercial real estate, including logistics and other property classes (collectively, "Loans"). Such Loans are subject to normal credit risks as well as those generally not associated with traditional debt securities. The ability of the borrowers to repay the Loans may depend upon the successful construction or rehabilitation and operation of the related real estate projects and the availability of financing. Any factors that affect the ability of the projects to generate sufficient cash flow could have a material effect on the value of the Loans and, accordingly, the value of the assets of the Partnership. Such factors include, but are not limited to (i) the uncertainty of cash flow to meet fixed obligations, (ii) adverse changes in general and local economic conditions, including interest rates and local market conditions, (iii) tenant credit risks, (iv) the unavailability of financing, which may make the operation, sale, or refinancing of a property difficult or unattractive, (v) vacancy and occupancy rates, (vi) construction and operating costs, (vii) regulatory requirements, including zoning, rent control and real and personal property tax laws, rates and assessments, (viii) environmental concerns, (ix) project and borrower diversification, (x) vandalism (with attendant

security costs), (xi) uninsured losses, (xii) restrictions and compliance costs imposed by the Americans with Disabilities Act and similar laws, and (xiii) general nonrecourse status. In addition, commercial properties often involve a single user or tenant, or relatively few tenants. Commercial property specifications may be tailored to the requirements of particular users or tenants and, accordingly, it may be difficult, costly and time consuming to liquidate such properties or attract new tenants.

### **General Credit Risks**

The Partnership's Loan Investments may vary or experience uncertainty with respect to the value of any underlying collateral, the creditworthiness of the borrower(s), and the priority of any liens. The Partnership cannot guarantee the adequacy of the protection of its interests in such Loans, including the validity or enforceability of any loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Partnership cannot assure that claims will not be asserted that would interfere with enforcement of the rights of the holder(s) of the relevant debt. In the event of a foreclosure, the liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on a loan or the Partnership's investment in such Loan, resulting in a loss to the Partnership. Any costs or delays involved in the effectuation of a foreclosure of a loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss. The Partnership may not have the right to proceed directly against obligors on such Loan Investments.

### **Bank Debt Transactions**

Special risks associated with investments in bank loans and participations include (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations, and (iv) limitations on the ability of the holder of the interest affecting the Partnership to directly enforce its rights with respect to participations. Successful claims in respect of such matters may reduce the cash flow and/or market value of certain of the Partnership's assets. Additionally, adverse credit events with respect to any underlying entity or property, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Partnership's investment in any such entity or property.

### **Bank Deposit Risks**

The Partnership may make deposits in regulated financial institutions, which may include national, regional and community banks. The solvency of national, regional and community banks are affected by many factors including changes in interest rates, economic and political conditions, broad trends in business and finance, bank regulation and legislation, monetary and fiscal policies, inflation, market conditions, and confidence in the safety and soundness of the banking system or a specific institution. National, regional and community banks are affected by many risks, including: (i) liquidity risk where a bank's management fails to ensure that sufficient funds are available to meet demands of capital providers, depositors, as well as borrowers; (ii) asset quality and credit risk attributable to a bank's assets based on the creditworthiness of borrowers as well as the value of the assets securing such loans; (iii) capital risk if a bank fails to maintain appropriate capital reserves to serve as a cushion against losses; (iv) earnings risk if a bank fails to generate sufficient earnings to support asset growth, provide for loan losses, and/or support its ability to pay dividends to stockholders; (v) management risks if a bank's management incorrectly identifies, measures, monitors and/or controls the risks of a bank's activities to ensure safe, sound, and efficient operation in compliance with applicable laws and regulations; (vi) litigation risks due to the volume of claims and amount of damages and penalties sought in any litigation and regulatory proceedings against financial institutions; (vii) market risks directly and indirectly attributable to changes in market conditions including fluctuations in interest rates, equity and futures prices, changes in the implied volatility of interest rates, and price deterioration or changes in value of long-term assets due to changes in market perception or actual credit quality; (viii) market competition resulting in a bank's rapid loss of customers and deposits to larger banks or financial institutions which are perceived to offer more competitive interest rates and/or greater safety and stability; (ix) monetary policy risks attributable to net interest margin requirements in a volatile interest rate environment; and (x) regulatory risks attributable to violations of or

changes in various state and federal banking regulations which have a negative adverse impact on such institutions. Any deposits made to a depository institution are subject to risks that losses may occur if the depository institution fails and amounts on deposit are not adequately insured. In light of interest rate volatility, the General Partner expects that certain banks may be subject to greater than average risk of failure. In the case of any bank failure there are risks that the Partnership may experience losses, including a loss of certain funds in excess of applicable Federal Deposit Insurance Corporation insurance limits which have been deposited with any insured bank. Moreover, in periods of economic stress, the bank default rate may increase, which may have an adverse effect on deposits available to the Partnership from any bank.

### **Mezzanine Loans**

The Partnership may invest in mezzanine debt interests in entities and properties whose capital structures have significant leverage ranking ahead of the Partnership's Investments. While the General Partner anticipates that the Partnership's debt investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of the Partnership's debt investments and will usually benefit from cross-default provisions, some or all of such terms may not be part of particular Investments. The General Partner anticipates that the Partnership's usual security for its debt Investments in such cases will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in many cases the Partnership may not have a mortgage or other direct security interest in the underlying real estate assets. Moreover, it is likely that the Partnership will be restricted in the exercise of its rights in respect of its debt Investments by the terms of subordination agreements between it and the debt ranking ahead of the mezzanine capital. Accordingly, the Partnership may not be able to take the steps necessary to protect such debt Investments in a timely manner or at all, and there can be no assurance that the rate of return objectives of the Partnership or any particular debt Investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, the Partnership may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by the Partnership.

### **General Real Estate Risks**

The Partnership's Investments will be subject to the risks incident to the acquisition, development, ownership and operation of real estate and risks incident to the making of recourse and nonrecourse loans secured by real estate. Deterioration of U.S. real estate fundamentals will negatively impact the performance of the Partnership.

Real property investments are subject to varying degrees of risk. These risks include changes in general or local economic conditions, interest rates, availability of mortgage funds, real estate taxes and other operating expenses, environmental changes, acts of God (which may result in uninsured losses), local employment conditions, domestic and foreign competition, and other factors, which are beyond the control of the Partnership and the General Partner. Real estate values are affected by a number of factors, including (i) changes in the general economic climate, (ii) local conditions (such as an oversupply of space or a reduction in demand for space), (iii) the quality and philosophy of management, (iv) competition based on rental rates, (v) attractiveness and location of the properties, (vi) financial condition of tenants, buyers and sellers of properties, (vii) quality of maintenance, insurance and management services and (viii) changes in operating costs. Real estate values also are affected by such factors as government regulations (including those governing usage, improvements zoning and taxes), interest rate levels, the availability of financing, and potential liability under changing environmental and other laws.

### **Special Servicing Rights**

In commercial real estate debt, a special servicer or "workout agent" is responsible for resolving delinquent and defaulted underlying mortgage loans. In the event that the General Partner obtains the right to appoint the special servicer with respect to an Investment, the General Partner may appoint itself or an affiliate as special servicer. If the General Partner does not obtain such rights, the Partnership may not be able to influence the special servicing of its underlying defaulted mortgage loans.

## **Subordinated Securities**

Default risks may be further pronounced in the case of subordinated interests secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

## **Investments in Commercial Mortgage Loans**

Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity (as a “balloon payment”), and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Commercial mortgage loans underlying the Partnership’s debt Investments could be nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower’s assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the loan, and in particular the subordinated classes of any related loans are likely to be adversely affected. The ultimate extent of the loss, if any, on the loan or any subordinated classes of loans may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed-in-lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation or bankruptcy. Factors such as the property’s location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property, may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the loan. Revenues from the assets underlying such loan may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Loans acquired directly or indirectly by the Partnership may be nonperforming at the time of their acquisition or following their acquisition for a wide variety of reasons. Such nonperforming real estate loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement “takeout” financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control.

## **Subordinated Investments**

Some of the Partnership’s Investments may be in subordinated loans and other junior participation interests and preferred equity interests of a direct or indirect property-owning entity. These Investments would be subordinated to the senior obligations of the property or issuer, either contractually or structurally, because they would be equity securities. Greater credit risks are usually attached to these subordinated Investments rather than to a borrower’s first-mortgage or other senior obligations because, among other reasons, these Investments may not be protected by financial or other covenants and may have limited liquidity. These Investments may be so-called “first loss investments” (regardless of whether they are equity investments). Adverse changes in a borrower’s or an issuer’s financial condition and/or in general economic conditions may impair the ability of the borrower or issuer to make payments on the subordinated securities, which are made, generally, only after payments are made on senior investments. Accordingly, such subordinated investments may go into default and suffer losses prior to the borrower’s or issuer’s senior obligations.

### **Risks Associated with Borrower Defaults**

In the event of a borrower default under a loan from the Partnership, the Partnership may in certain limited cases be entitled to foreclose upon the property securing the Partnership's loan investment. A foreclosure action or other lender remedies may be subject to delays and additional expenses if defenses or counterclaims are interposed, and may require several years to complete. Moreover, a non-collusive, regularly conducted foreclosure sale may be challenged as a fraudulent conveyance, regardless of the parties' intent, if a court determines that the sale was for less than fair consideration and such sale occurred when the borrower was insolvent and within one year (or within the applicable state statute of limitations if the trustee in bankruptcy elects to proceed under state fraudulent conveyance laws) of the filing of bankruptcy. Similarly, a suit against a borrower on a note may take several years, and generally is a remedy alternative to foreclosure so that the Partnership may be precluded from pursuing both foreclosure and an action on a note simultaneously.

### **Uninsured Losses**

The Partnership will likely maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. There are certain types of losses (generally of a catastrophic nature such as those caused by fire, flood, freeze, hail, hurricanes, drought, severe frost, disease, pests, riots and wars) that are uninsurable, not fully insurable or not insurable on economically feasible terms. If such losses occurred to the investment assets, the Partnership could lose both its invested capital and profits anticipated therefrom, and the Partners could lose their investment, except for the value of the underlying real estate remaining after such event.

### **Maintenance Costs**

The cost of maintaining the Partnership's investment assets will be substantial. The Partnership will plan for adequate working capital to maintain the assets; however, if circumstances change or if the Partnership's projections prove inaccurate, the Partnership may not have sufficient working capital to maintain the assets properly. There can be no assurance that the General Partner's decisions with respect to these matters will result in future profitability of the operations or potential development.

### **Ability to Resell the Property; No Assurance of Property Appreciation or Profits**

The resale potential of the investment assets will be affected by those conditions that affect the value of real estate in general, including the possibility of increased interest rates, declining real estate values, low demand for various types of real estate, changes in demographics, changes in tax laws affecting real estate owners, competition from other properties located in the area, zoning changes, or unfavorable general or local economic conditions. Although the Partnership in some cases will be seeking real estate that it anticipates will be in the path of development or other resale potential, there can be no assurance that any of the properties acquired by the Partnership will be developed for residential, commercial or any other purpose or increase in value during the time period anticipated by the Partnership or at any time. Further, no assurance can be given that there will be a ready market for these properties at the time the Partnership elects, or is forced, to sell. All investments in real property are illiquid.

### **Investments in Land/New Development**

The Partnership may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing. To the extent that the Partnership invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to (i) the availability and timely receipt of zoning and other regulatory approvals, (ii) the cost and timely completion of construction (including risks beyond the control of the Partnership, such as the weather, labor conditions or material shortages) and (iii) the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could

prevent completion of development activities once undertaken, any of which could have an adverse effect on the Partnership.

### **Eminent Domain**

Municipalities and other government subdivisions may, in certain circumstances, seek to acquire certain assets of the Partnership through eminent domain proceedings. While the Partnership may seek to contest these proceedings, which may be costly and may divert the attention of management from the operation of the Partnership, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Partnership. In such event, there is a risk that the Partnership will not receive adequate compensation for the assets acquired, or that the Partnership will not be able to recover all charges associated with divesting these assets.

### **Investments with Third Parties in Joint Ventures and Other Entities**

The Partnership may hold non-controlling interests in certain investments or, similarly, may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Partnership, or may be in a position to take action contrary to the Partnership's investment objectives. In addition, the Partnership may in certain circumstances be liable for the actions of its third-party partners or co-venturers. The Partnership's ability to seek redress against a partner or manager which acts in a manner contrary to the interests of the Partnership may also be limited. Investments made with third parties in joint ventures or other entities may involve carried interest and other fees payable to such third-party partners or co-venturers. Any such arrangements will result in lower returns to the Partnership than if such arrangements had not existed. In addition, if the Partnership and a third party or co-venturer cannot agree on decisions affecting the joint venture, it may adversely impact the investment results of the Partnership. In such event, the Partnership could have a diminished capacity to obtain investment opportunities, to capitalize upon relationships with co-venturers and to structure and execute its potential investments and dispositions.

### **Control Issues**

In certain situations, the Partnership may only acquire a participation interest in an asset, and therefore the Partnership may not be able to exercise control over the management of such Investment. Lack of control of an Investment will prohibit the Partnership from effecting operational changes required to improve cash flow from the Investment, and also limit the Partnership's flexibility to dispose of the investment. In certain other situations, the Partnership may exercise control over an Investment. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristics of business ownership may be ignored. If any of these liabilities were to arise, the Partnership might suffer a significant loss.

### **Inability to Refinance Investment**

If the Partnership makes an investment in a transaction with the intent of refinancing a portion of the equity investment, there is a risk that the Partnership will be unable to successfully complete the refinancing. There is also a risk that certain Investments acquired using indebtedness may be difficult or impossible to refinance when the loan matures. The inability to complete a refinancing or to complete one as quickly as originally planned would lead to increased risk due to a longer-than-expected investment period, which limits the Partnership's ability to redeploy the capital from a disposition and may also jeopardize the return expectations that the General Partner had originally estimated for the Investment. In addition, if a loan matured before refinancing could be procured, the lender could foreclose on the collateral and the Partnership might suffer losses as a result of that foreclosure.

## Length of Loan Terms

The Partnership may enter into or assume loan agreements to finance the acquisition of certain Investments where the associated loan has a prepayment penalty and a maturity date that is after the term of the Partnership. If interest rates decline or the terms of the loan agreements are viewed as unfavorable to potential buyers of the Partnership's assets, the Partnership may be unsuccessful in disposing of investments on terms that are favorable to the Partnership. The result of such financing may negatively affect the Partnership's investment returns.

## LIBOR Risk

The Partnership may have interest rate exposure to the London InterBank Offered Rate ("LIBOR") or other interbank offered rates ("IBORs"). As a result, a significant decline in LIBOR or the future phasing out and eventual discontinuation of LIBOR could negatively impact the expected return on the Partnership's Investments and/or the availability of instruments designed to hedge the Partnership's or its Investments exposure to LIBOR, and such impacts may be material. While the Partnership may pay lower prices for loans with LIBOR interest rates, there can be no guarantee that such prices will offset losses in current income.

In July 2017, the UK Financial Conduct Authority ("FCA") announced that the FCA would no longer use its influence or legal powers to persuade or compel contributing panel banks to make LIBOR submissions after the end of 2021. The FCA and other financial regulators are encouraging market participants to transition away from LIBOR to alternative reference rates such as risk-free rates. For example, the Alternative Reference Rates Committee convened by the Federal Reserve Board of Governors and the Federal Reserve Bank of New York has identified the Secured Overnight Financing Rate (or "SOFR") as its preferred alternative reference rate to USD LIBOR. On March 5, 2021, the ICE Benchmark Administration, which compiles and publishes LIBOR, announced it will cease publication of all tenors of EUR LIBOR, CHF LIBOR, JPY LIBOR, and GBP LIBOR and the one-week and two-month USD LIBOR settings on December 31, 2021 and that it will cease publication of the remaining overnight and one-, three-, six- and 12-month USD LIBOR settings on June 30, 2023 unless the FCA exercises proposed new powers to compel continued publication of such LIBOR settings on a synthetic basis using a modified methodology.

This transition away from LIBOR and other IBORs may cause one or more of the following to occur, among other impacts: (i) there may be an increase in the volatility of LIBOR and other IBORs prior to the consummation of any such change; (ii) fewer investments may be made using interest payment benchmarks based on LIBOR and other IBORs and more investments may be made using interest payment benchmarks other than LIBOR and other IBORs or bearing interest at a fixed rate, resulting in differential investment returns to the Partnership; (iii) there may be an increase in pricing volatility with respect to the Partnership's investments and/or a reduction in the value of the Partnership's investments; (iv) there may be a reduction in the Partnership's ability to effectively hedge interest rate risks; and (v) the Partnership may incur losses from hedging disruptions due to transition basis risk, the cessation of LIBOR or other IBORs or an inability of the Partnership and its counterparties to effectively value their existing trades due to a lack of dealers providing quotations in the derivatives markets based on LIBOR or other IBORs. Because of structural differences in the calculation of alternative reference rates, especially risk-free rates, there is no certainty as to what rates or rate adjustments may become market-accepted alternatives or how those alternatives may impact the Partnership or its investment returns. There may not be any alternative benchmark that reflects the composition and characteristics of LIBOR or other IBORs, and there may be dramatic shifts in debt investments and the debt markets generally. Any of the foregoing could materially adversely impact results for the Partnership.

## Bankruptcy Considerations

Investments made in assets operating in workout modes or under bankruptcy, insolvency or other debtor-protection codes could, if the Partnership inappropriately exercises control over the management and policies of the debtors, be subordinated or disallowed, and the Partnership could be liable to third parties in such circumstances. Furthermore, distributions made to the Partnership in respect of such investments, and distributions by the Partnership to the Partners, could be recovered if such distributions are found to be a fraudulent conveyance or preferential payment or the equivalent under the laws of certain jurisdictions. Bankruptcy laws may delay the ability



of the Partnership to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the “cramdown” provisions of the bankruptcy laws.

## **Leverage**

The Partnership may borrow on a secured or unsecured basis for any purpose, including to make any Investments and to increase investment capacity, pay fees and expenses or to make other distributions. Although the Partnership does not intend to employ significant leverage at the Partnership level, the Partnership may achieve leverage in certain transactions, and such leverage may fluctuate depending on market conditions. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the Investments purchased or carried. Gains realized with borrowed funds may cause the Partnership’s returns to be higher than would be the case without borrowings. If, however, Investment results fail to cover the cost of borrowings, the Partnership’s returns could also decrease faster than if there had been no borrowings. Further, such leverage will increase the exposure of an Investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Investment. If the Partnership defaults on secured indebtedness, the lender may foreclose and the Partnership could lose its entire Investment in the security for such loan. The Partnership may also seek to issue preferred equity to third-party co-investors in connection with certain investments. While such preferred equity would not be viewed as debt for general purposes (including the limitation on borrowings set forth in Section VIII — “Detailed Summary of Terms—Partnership Borrowing”), it would have certain features in common with debt, including a priority in rights of repayment and distributions that would be senior to the Partnership’s equity investment. In addition, borrowings by the Partnership may be secured by the Limited Partners’ Capital Commitments as well as by the Partnership’s assets. Further, to the extent income received from Investments is used to make interest and principal payments on such borrowings, Limited Partners may be allocated income, and therefore tax liability, in excess of cash received by them in distributions. The presence of leverage substantially increases the risk profile of the Partnership and its Investments. See Section VIII — “Detailed Summary of Terms—Partnership Borrowing.”

The Partnership’s use of borrowings to create leverage may subject the Partnership to additional risks. For example, depending on the type of facility, a decrease in the market value of the Partnership’s Investments would increase the effective amount of leverage and could result in the possibility of a “margin call,” pursuant to which the Partnership must either deposit additional funds or securities with the lender or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in the value of the Partnership’s assets, the Partnership might not be able to liquidate assets quickly enough to pay off its debt. The extent to which the Partnership uses leverage may have the following consequences to the Partners, including, but not limited to: (a) greater fluctuations in the net assets of the Partnership; (b) use of cash flow for debt service, distributions, or other purposes; and (c) in certain circumstances the Partnership may be required to prematurely sell Investments to service its debt obligations. There can also be no assurance that the Partnership will have sufficient cash flow to meet its debt service obligations. As a result, the Partnership’s exposure to losses may be increased due to the illiquidity of its Investments generally.

## **Bridge Investments**

From time to time, the Partnership may make loans on a short-term, unsecured basis in anticipation of a future equity or long-term debt take-out refinancing. There can be no assurance that such take-out refinancing will occur on time, on desirable terms or at all, and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Partnership.

## **Insolvency Considerations**

If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of debt securities, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such debt security and, after giving effect to such indebtedness, the

issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the issuer or recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were greater than all of its property at a fair valuation or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was “insolvent” after giving effect to the incurrence of the indebtedness constituting the debt securities, or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a debt security, payments made on such debt security could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year and one day) before insolvency.

In addition, if an issuer of a debt security is the subject of a bankruptcy proceeding, payments to the Partnership with respect to such debt security may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court including the following: (a) an “automatic stay,” under which the Partnership will not be able to institute proceedings or otherwise enforce its rights against the issuer or obligor with respect to such debt security without permission from the court, (b) conversion by the bankruptcy court of such debt security into more junior debt or into an equity obligation of the issuer thereof or obligor thereon, (c) modification of the terms of the debt security by the bankruptcy court, including reduction or delay of the interest or principal payments thereon and (d) grant of a priority lien to a new money lender to the issuer of, or obligor on, the debt security.

#### **Lender Liability Considerations; Equitable Subordination**

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed “[lender liability](#)”). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Partnership does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Although the Partnership does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists.

#### **Usury**

Any loans made by the Partnership to any borrower entity may be subject to state usury laws. The Partnership intends to comply with any applicable usury laws; however, in some instances, the General Partner may not be aware that the usury laws of a state are applicable and/or may not be successful in causing the Partnership to comply with such laws. Failure of the Partnership to comply with any applicable usury laws could result in a significant loss with respect to any such loan.

## **Limited Information**

The Partnership may not receive access to all available information to fully determine the origination, credit appraisal and underwriting practices utilized with respect to the Investments or the manner in which the Investments have been serviced or operated prior to acquisition of the Investment by the Partnership. In such cases, the information available to the General Partner and the Investment Manager at the time of making an Investment decision may be limited, and they may not have access to detailed information regarding the Investment. Therefore, no assurance can be given that the General Partner and the Investment Manager will have knowledge of all circumstances that may adversely affect an Investment. Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its Interests may have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for Limited Partners to monitor the General Partner and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Committee may, by virtue of such participation, have more information about the Partnership and Investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

## **Expedited Transactions**

Investment analyses and decisions by the General Partner and the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these circumstances, the General Partner may not have performed thorough due diligence, resulting in making an investment that the General Partner would not otherwise have made. The General Partner and the Investment Manager often expect to rely upon independent consultants or the resources at various companies with which the Investment Committee Members were previously associated in connection with its evaluation of proposed Investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Partnership may incur liability as a result of such consultants' actions. Further, indemnification or other remedies may not be available to the Partnership due to contractual provisions with such independent consultants limiting such indemnification or other remedies.

## **Environmental Liabilities**

The Partnership may be exposed to substantial risk of loss arising from Investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Under various federal, state, and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the cash flow and operations of the property, the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Partnership's return from such investment. Environmental claims with respect to a specific Investment may exceed the value of such Investment, and under certain circumstances, subject the other assets of the Partnership to such liabilities. In addition, some environmental laws create a lien on contaminated property in favor of governments or government agencies for costs they may incur in connection with the contamination.

Also, in connection with the disposition of a property, the Partnership may be required to make representations about any contingent liabilities inherent in the real estate, such as environmental clean-up costs. The Partnership also may be required to indemnify the purchasers of such property to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities for which the Partnership may establish reserves

or escrows. Even where the Partnership engages a qualified environmental consultant to conduct a current environmental assessment of the property and prepare a report, these investigations and reports are no guaranty that a property has no contamination.

## **Risks of Investing in Real Estate**

*Generally.* While Bridge believes that the Partnership's targeted asset class of logistics properties has attractive characteristics, in the event that such characteristics change in an adverse manner, the Partnership's operating results would be adversely impacted.

*Risks Associated with Leasing Commercial Properties.* The Partnership will face significant competition from other developers, owners and operators of similar properties in the same markets and may be in competition with other properties owned or managed by Bridge for its own account or for other client accounts. This competition may affect the Partnership's ability to attract and retain tenants. The Partnership will be subject to the risk that, upon the expiration of leases for space located in the Partnership's properties, such leases may not be renewed by existing customers at the same or increased rents or at all and, in such cases, the space may not be re-leased to new customers or the terms of renewal or re-leasing (including the cost of required renovations or concessions to customers) may be less favorable to the Partnership than current or prior lease terms. Additionally, to the extent a customer opts not to renew its lease of specialized space in one of the Partnership's properties, re-leasing the vacated space could be more difficult than re-leasing less specialized space. The Partnership's competitors may offer space at rental rates below then current market rates or below the rental rates the Partnership will charge its customers, which may result in potential loss of customers, and may pressure the Partnership to reduce rental rates for space at its properties below current market rental rates. In the event of default by a significant number of tenants renting space located in the Partnership's properties, the Partnership may experience delays and incur substantial costs in enforcing its rights as landlord, and the Partnership may be unable to re-lease any such spaces. If rental rates for the Partnership's properties decrease, the Partnership's existing customers do not renew their leases or the Partnership does not re-let a significant portion of its available space and space for which leases expire, the Partnership's financial condition, results of operations, cash flows, cash available for distributions and the Partnership's ability to service its debt obligations could be materially and adversely affected.

*Risks Associated with Industrial and Logistics Properties.* The Partnership expects to invest in industrial, distribution and/or logistics properties. Significant factors determining the value of logistics properties are: (i) the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); (ii) changes in proximity of supply sources; (iii) the quality of tenants; (iv) a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; and (v) the expenses of converting a previously adapted space to general use. If the real estate asset is a single tenant building, risks associated with that tenant's financial wherewithal and potential default will be more pronounced than in a multi-tenant building. Moreover, because of unique construction requirements of many industrial and logistics properties, a particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Thus, if the operation of an industrial or logistics property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial or logistics property may be substantially less than would be the case if the property were readily adaptable to other uses, and the Partnership's investments in such property may accordingly incur losses. Further, the Partnership may invest in cold storage facilities, which may have unique risks such as short lease terms due to seasonal use, making income potentially more volatile than for properties with longer term leases, and customized refrigeration design, rendering such facilities less readily convertible to alternative uses.

In addition, properties used for many industrial purposes are more prone to environmental concerns than other property types. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in industrial properties that conduct industrial, manufacturing and

commercial activities will cause the Partnership to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect the Partnership's ability to sell or rent an industrial property.

The Partnership's revenues and the value of its properties are vulnerable to risks associated with investments in logistics facilities. For instance, infrastructure changes, technological innovations in transportation and/or regulations may alter the roles and relative importance of shipping methods. Additionally, real estate surrounding the Partnership's properties may be developed for uses which may impede the operations of the tenants, who may seek other logistics facilities. Unanticipated results or changes in particular logistics facilities, or changes in general or local economic conditions or other relevant factors, including changes in government regulations or demand, could affect such values which could have a material adverse effect on the Partnership's investments, financial condition, results of operations and prospects. Additionally, changes in consumer and corporate spending and production may adversely affect the Partnership's investments. When consumer and corporate spending and production decrease, there is less demand for use of logistics facilities in the market. Such decrease in demand may result in a material adverse effect on the Partnership's investments, financial condition, results of operations and cash flows.

In addition, certain other risks are associated with the acquisition of industrial, distribution and/or logistics properties, including the risk that the Partnership may not be successful in identifying attractive properties or that, once identified, the Partnership may not be successful in consummating an acquisition. If the Partnership acquires properties in new markets, the Partnership may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. Additionally, properties or facilities acquired by the Partnership may not perform as anticipated. Furthermore, properties acquired by the Partnership may be subject to liabilities, including claims by customers, vendors or other persons dealing with the former owners of the properties, which may be without any recourse, or with only limited recourse. If any such liability is asserted against the Partnership based on its ownership of any property, the Partnership may be required to pay substantial sums to defend or settle such liability, which could materially and adversely affect the Partnership's cash flows.

### **Due Diligence and Analytic Risks**

There is generally limited publicly available information about real properties, and the Partnership must therefore rely on due diligence conducted by the General Partner and/or its affiliates. Should the General Partner's and/or its affiliates' pre-acquisition evaluation of the physical condition of each new investment fail to detect certain defects or necessary repairs, the total investment cost could be significantly higher than expected. Furthermore, should the General Partner's estimates of the costs of improving, repositioning or redeveloping an acquired property prove too low, or its estimates of the time required to achieve occupancy prove too optimistic, the profitability of the investment may be adversely affected.

### **Tenant Default and Bankruptcy**

A tenant's default in performing its lease obligations, or the tenant's bankruptcy, could adversely affect cash flow from a real estate investment and cause the Partnership to incur legal costs and other costs that would not likely be recouped. An early termination of a lease by a bankrupt tenant would result in unanticipated expenses to re-let the premises. In addition, the Partnership may encounter additional risks and uncertainties with respect to the treatment of tenants under the laws of the various jurisdictions in which the Partnership may invest, including, without limitation, in circumstances involving a tenant's bankruptcy.

### **Non-Renewal of Leases**

The Partnership's real estate investments will be subject to the risks that, upon expiration, leases for space may not be renewed, the space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions, may be less favorable than current lease terms. In the event of any of these

circumstances, cash flow from the Partnership's real estate investments and, therefore, the value of an investment in the Partnership, could be adversely affected. These risks may be particularly acute for single-tenant properties.

### **Risks of Engaging in Development Activities**

The Partnership plans to develop some properties in which it is investing (including vacant land). Such development projects will be subject to various risks, including those set forth herein and the risk that there may be unanticipated delays in the completion of such development projects due to factors beyond the control of the Partnership. These factors may include:

- material and labor shortages;
- increases in the costs of labor and materials;
- rising energy costs;
- strikes;
- adverse weather;
- earthquakes and other "force majeure" events;
- changes in building plans and specifications;
- zoning, entitlement and regulatory concerns, including changes in laws, regulations, elected officials and government staff;
- unanticipated soil problems; and
- delays caused by any of the foregoing (which could result in unanticipated increased costs, the expiration of permits, unforeseen changes in laws, regulations, elected officials and government staff, and losses due to market timing of any sale that is delayed).

Delays in completing any development project will cause corresponding delays in the receipt of operating income and, consequently, the distribution of any cash flow by the Partnership. In addition, the estimated costs and schedules of developing and constructing buildings and related landscaping may be affected by changes in construction plans and specifications or by other unforeseen events, any of which may cause additional expenses to be incurred, which likely will be borne by the Partnership.

### **Failure to Acquire Identified Properties**

There can be no assurance that the Partnership will complete the acquisition of any of the Investments that have been identified as potential acquisition targets, or that the General Partner and the Investment Manager will be able to identify other acquisition targets that meet the Partnership's investment criteria. The Partnership's acquisition of the properties that have been identified as potential acquisition targets, or of any other Investments that are identified in the future, will depend on, among other things, the willingness of the parties to proceed with the contemplated transaction and the General Partner's and the Investment Manager's ability to negotiate mutually satisfactory acquisition terms with the sellers and to enter into binding purchase and sale agreements with the sellers. Even if the Partnership does enter into binding purchase and sale agreements, there can be no assurance that the closing conditions under those agreements will be satisfied and that the Partnership will close on the acquisitions. The Partnership's inability to acquire Investments in the future that satisfy its investment criteria would have an adverse effect on the Partnership's operating results and ability to make distributions to Partners.

### **Diversification**

Although the Partnership intends to have certain diversification limitations (the Partnership intends not to invest more than 20% of the aggregate Capital Commitments of all Limited Partners in any single Investment, except in the limited circumstances described below), to the extent the Investment Manager concentrates the Partnership's investments in a particular market, the Partnership's portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular market. Without the consent of the

Advisory Committee, Capital Contributions made in connection with any single Investment may not exceed 20% of the then-outstanding aggregate Capital Commitments of all Limited Partners; provided, that for purposes of the foregoing limitation each property acquired (regardless of whether acquired in a portfolio or in a series of related transactions) will be considered a separate Investment; and provided further that the General Partner may cause the Partnership to use Capital Contributions in excess of 20% of aggregate Capital Commitments to make any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in any such Investment can be reduced to no more than 20% of the aggregate Capital Commitments on or before the later of (i) the Final Closing and (ii) six months after the date of the investment in such Investment. In these circumstances and in other transactions where the General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Partnership having an unintended long-term investment as to a portion of the amount invested or reduced diversification.

In addition, the Partnership will focus on real estate development opportunities in targeted markets. Although the General Partner will attempt to minimize risk, the Partnership's actual returns will be subject to numerous factors beyond the General Partner's control. Because the Partnership's investments are expected to be concentrated within targeted markets, portfolio diversification will be less than would be possible if the Partnership were to invest in a range of real estate opportunities across several markets. Such reduced diversification may increase the volatility of the Partnership's returns, and could reduce the Partnership's returns relative to diversified funds. In addition, during the early stages of the Partnership's term, the Partnership may hold more concentrated positions than it otherwise would.

### **Currency Risk**

Foreign investors may experience currency risk with respect to their investment in the Partnership. The value of the U.S. dollar fluctuates and it may change in relation to the value of other currencies around the world. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments.

### **Hedging Policies/Risks**

At this time, the General Partner does not in the ordinary course of business expect that the Partnership will enter into hedging arrangements, including futures, options, or swaps. In the event that the Partnership were to employ hedging techniques designed to reduce the risks of adverse movements in interest rates and currency exchange rates, such transactions themselves may entail certain other risks. Thus, while the Partnership may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Partnership than if it had not entered into such hedging transactions.

### **Troubled Origination**

The Partnership's Investments may have been originated by financial institutions that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such Investments were originated, the recourse to the selling institution, or the standards by which such Investments are being serviced or operated may be adversely affected.

### **Potential of No Current Income**

The Partnership's investment policies should be considered speculative, as there can be no assurance that the General Partner's assessments of the short-term or long-term prospects of Investments will generate a profit. In view of the fact that the Partnership may not make distributions (other than annual tax distributions), an Investment in the Partnership may not be suitable for investors seeking current income.

## **Liability of Partners**

The General Partner has unlimited liability for all debts and obligations of the Partnership. The total liability of a Limited Partner is limited to the amount of its Capital Commitment, except in certain circumstances where such Limited Partner was involved in the management or otherwise engaged in the business of the Partnership or externally represented the Partnership. Any Limited Partner's Capital Commitment is susceptible to risk of loss as a result of any liability of the Partnership irrespective of whether such liability is attributable to an Investment to which such Limited Partner did not contribute any capital. If the Partnership is otherwise unable to meet its obligations, the Limited Partners may, under Delaware law or other applicable law, be obligated to return, with interest, distributions previously received by them pursuant to any applicable rules regarding fraudulent conveyances to the Partnership or to creditors whose interests have been injured. In addition, a Limited Partner may be liable under applicable bankruptcy law to return a distribution made during the Partnership's insolvency. Assets of the Partnership, including any capital held by the Partnership, are available to satisfy the obligations and liabilities of the Partnership. If the Partnership itself becomes subject to a liability, parties seeking satisfaction of such liability may have recourse to the Partnership's assets generally rather than being limited to a particular asset (such as the one giving rise to the liability).

## **Absence of Recourse to General Partner**

The Partnership Agreement includes exculpation and indemnification provisions that will limit the circumstances under which the General Partner and its affiliates can be held liable to the Partnership. As a result, Partners may have a more limited right of action in certain cases than they would in the absence of such limitations.

## **Need for Follow-on Investments**

Following its initial Investment in a given asset, the Partnership may decide to provide additional funds to such asset or may have the opportunity to increase its Investment in a successful asset. There is no assurance that the Partnership will make follow-on Investments or that the Partnership will have sufficient funds to make all or any of such Investments. Any decision by the Partnership not to make follow-on Investments or its inability to make such Investments may have a substantial negative effect on an asset in need of such an Investment or may result in a lost opportunity for the Partnership to increase its participation in a successful operation.

## **Uncertainty of Financial Projections**

The General Partner will generally establish the capital structure of portfolio entities on the basis of financial projections for such portfolio entities. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

## **Indemnification**

The Partnership, the General Partner, the Investment Manager and the members of the management team will be subject to the risk of litigation in connection with their ongoing business activities. In addition to any insurance or third-party indemnification, the Partnership will be required to indemnify and exculpate the General Partner, the Investment Manager, their respective affiliates and the respective members, partners, shareholders, officers, directors, employees, agents and representatives thereof for liabilities incurred in connection with the affairs of the Partnership. Members of the Advisory Committee will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Partnership Agreement. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Partnership would be payable from the assets of the Partnership, including the Unfunded Commitments of the Limited Partners. If the assets of the Partnership are insufficient, the General Partner may recall the distributions previously made to the Limited Partners, subject to certain limitations set forth in the Partnership Agreement. The General Partner may cause the Partnership



to purchase insurance for the Partnership, the General Partner, the Investment Manager and their employees, agents and representatives.

### **Public Disclosure and FOIA**

To the extent that the General Partner determines in good faith that, as a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of its affiliates may be required to disclose information relating to the Partnership, its affiliates, or any entity in which an Investment is made (other than certain fund-level, aggregate performance information described in the Partnership Agreement), the General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Limited Partner. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in the Investment Manager or the Partnership becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

### **Contingent Liabilities on Disposition of Investments**

In connection with the disposition of an Investment, the Partnership may be required to make representations about such Investment. The Partnership also may be required to indemnify the purchasers of such Investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In addition, Limited Partners may be required to return amounts distributed to them to fund obligations of the Partnership, including indemnity obligations, subject to certain limitations set forth in the Partnership Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to re-contribute such distribution to the Partnership.

### **Risks from the Provision of Managerial Assistance**

The General Partner will use reasonable efforts to avoid having the assets of the Partnership constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the Code and may, in this regard, elect to operate the Partnership as a "venture capital operating company" ("VCOC") or a "real estate operating company" ("REOC"), each within the meaning of regulations promulgated under ERISA. Operating the Partnership as a VCOC would require that the Partnership obtain rights to substantially participate in or influence the conduct of the management of a number of the Partnership's Investments. Operating the Partnership as a REOC would require that the Partnership have the right to substantially participate in management or development activities with respect to a portion of the underlying real estate assets. The Partnership may designate a director to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Partnership to claims by a portfolio company, its security holders and its creditors. While the General Partner intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

### **Foreign Investment Clearance Risk**

Certain investments by the Partnership involving the acquisition of a U.S. business or assets with a nexus to U.S. interstate commerce could be subject to review by the Committee on Foreign Investment in the United States ("CFIUS"). In August 2018, the U.S. Congress passed legislation that will increase the number of transactions that are subject to the jurisdiction of CFIUS. Moreover, other countries are increasingly taking action to strengthen their national security review regimes, and as a result, certain investments in foreign countries may likewise be subject to similar foreign investment clearance and national security review regimes if the investments are perceived to implicate national security policy priorities. In the event that CFIUS or another regulator reviews one or more of the Partnership's investments, there can be no assurances that the Partnership will be able to maintain or proceed with such investments. Changes to CFIUS and similar non-U.S. foreign investment and national security review regimes may limit the universe of suitable prospective acquirers for certain investments that the Partnership may exit and may make more difficult for our funds to realize value from such investments.

## ERISA Considerations

In the event the Partnership is operated to qualify as a VCOC or REOC in order to avoid holding “plan assets” within the meaning of ERISA, the Partnership may be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate Partnership investments at a disadvantageous time in order to avoid holding ERISA “plan assets,” resulting in lower proceeds to the Partnership than might have been the case without the need to qualify as a VCOC or REOC.

## CFTC Considerations

If the Partnership were to trade commodity futures, options and/or swaps (collectively “Commodity Interests”), the Partnership may be viewed as a commodity pool under the U.S. Commodity Exchange Act (the “CEA”), as amended, and the rules of the U.S. Commodity Futures Trading Commission (the “CFTC”) thereunder (“CFTC Rules”). In such event, the General Partner expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a CPO available under CFTC Rule 4.13(a)(3), and, the Investment Manager expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a CTA available under CFTC Rule 4.14(a)(8)(i)(D). Prospective investors should review Section X – “Certain Regulatory, Tax and ERISA Considerations – Commodity Exchange Act” (below) in this Memorandum for further information regarding the CFTC Rules.

## Broken Deals

Investments in the real estate industry often require extensive due diligence activities and regulatory approvals. Due diligence may include, without limitation, feasibility and technical studies, preliminary marketing studies, business plan development, and legal and environmental review, any or all of which may entail significant third-party expenses. In the event that an investment is not consummated, the Partnership may bear some or all of such third-party expenses and any termination fees. With respect to Investments in which Partners or third parties (“Co-Investors”) co-invest with the Partnership, any Investment expenses or indemnification obligations related to such Investments are expected to be borne by the Partnership and such Co-Investors (whether directly or through a co-investment vehicle) in an equitable manner as determined by the General Partner (which may be in proportion to the capital committed by each to such Investment). If a proposed co-investment opportunity and/or co-investment vehicle is not consummated, the Partnership will generally bear some or all of the costs of such proposed co-investment (including broken deal expenses, diligence and pursuit expenses, and other third-party out-of-pocket expenses).

## Side Letters

The General Partner, on behalf of the Partnership, may from time to time enter into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more Limited Partners, which provide such Limited Partners with additional or different rights (including with respect to economic incentives, access to information and the Partnership or General Partner reporting obligations, excuse rights, transfer rights, consent rights, co-investment rights, liquidity terms and other matters) than the Limited Partners otherwise have pursuant to this Memorandum and the Partnership Agreement. As a result of such Side Letters, certain Limited Partners may receive additional benefits that other investors will not receive. The General Partner, on behalf of the Partnership, will not be required to notify any or all of the other investors of any such Side Letters or any of the rights or terms or provisions thereof, or otherwise provide disclosure of such terms, nor will the General Partner, on behalf of the Partnership, be required to offer such additional or different rights or terms to any or all of the other investors. The General Partner, on behalf of the Partnership, may enter into such Side Letters with any party as the General Partner may determine, in its sole discretion, at any time. The other investors will have no recourse against the Partnership, the General Partner or any of their affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

## Alternative Investment Fund Managers Directive

The AIFMD, as implemented in each member state of the European Economic Area (“EEA”) and as implemented and retained by the United Kingdom (“UK”) following its departure from the European Union, regulates the activities

of certain private fund managers undertaking fund management activities or marketing fund interests to investors in the EEA, and the UK respectively.

To the extent the Fund is actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) the Fund and the Investment Manager will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and the Investment Manager may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; and (iii) the Investment Manager will be required to make detailed information relating to the Fund and its investments available to regulators and third parties. In addition, it is possible that some jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments.

In the future, it may be possible for non-EEA alternative investment fund managers (“AIFMs”) to market an alternative investment fund (“AIF”) within the EEA pursuant to a pan-European marketing “passport”, instead of under national private placement regimes. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both investors and EEA home state regulators; independent valuation of an AIF’s assets; and the appointment of an independent depositary. Certain EEA member states have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the Investment Manager may not seek to market Units in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the Investment Manager sought to comply with the requirements to use the passport, the Fund would experience increased regulatory burden and costs of operating and managing the Fund and its investments, and would potentially be required to change compensation structures for key personnel, thereby affecting the General Partner’s ability to recruit and retain these personnel.

## Cybersecurity Risks

With the increased use of technologies such as the Internet and the dependence on computer systems, complex information technology and communication systems to perform necessary business functions, investment vehicles such as the Partnership and its service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Partnership, the General Partner, and/or third-party service providers may adversely impact the Partnership or the Limited Partners. For instance, cyber-attacks may interfere with the processing of Limited Partner transactions, impact the Partnership’s ability to value its assets, cause the release of private Limited Partner information or confidential information of the Partnership, impede trading, cause reputational damage, and subject the Partnership to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, ongoing prevention costs and/or additional compliance costs. The Partnership may also incur substantial costs for cyber-security risk management in order to prevent any cyber incidents in the future. The Partnership and the Limited Partners could be negatively impacted as a result. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect the Partnership’s investors directly as well as affect the value of assets in which the Partnership invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and

privacy protection and consumer protection, or incur regulatory penalties, all or part of which may not be covered by insurance.

In 2017, Bridge was the subject of a cyber-attack against its internal network servers. Bridge promptly took action to (1) secure the affected servers offline and implement new security measures designed to prevent similar cyber-attacks in the future, (2) notify all limited partners in the affected Bridge-managed funds of this security breach, and (3) restore corrupted and stolen data from backup files.

While the Partnership or the Partnership's service providers have established enhanced data-security measures, business continuity plans and information technology systems designed to prevent cyber-attacks from reoccurring in the future, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cybersecurity risks are also present for service providers and other third parties with which the Partnership does business. These service providers and other third parties may hold Partnership or investor information and not have the same level of protection as the Partnership maintains for its information, or may nevertheless be subject to risk of breach even with enhanced data security measures, any of which could result in material adverse consequences for the Partnership and may cause the Partnership's Investments to lose value.

### **Natural Disasters, Terrorist Acts and Similar Dislocations**

Upon the occurrence of a natural disaster such as flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest, the impacted country or region may not efficiently and quickly recover from such event, which can have a material adverse effect on Partnership investments and other development in such country or region. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions abroad, and terrorist actions worldwide, could have significant adverse effects on U.S. and world economies and securities markets and on the U.S. real estate market. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation, availability of borrowing and other factors relating to the Partnership's investments.

### **Withdrawal of the United Kingdom from the EU**

The UK withdrew from the EU on January 31, 2020 ("Brexit"). In connection with Brexit the UK and the EU agreed the Trade and Cooperation Agreement ("TCA") that governs the future trading relationship between the UK and the EU in specified areas. The TCA took effect from January 1, 2021, following a transition period that commenced immediately following the Brexit date.

The UK is no longer in the EU customs union and is outside of the EU single market. As a result, logistical disruption is expected while the UK and EU implement the new relationship under the TCA. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. The initial timeframe set to agree a financial services cooperation framework may be subject to extension and a cooperation agreement on financial services is not guaranteed. The uncertainty surrounding the implementation of the TCA and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and for private funds, such as the Partnership. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU.

The future application of EU-based legislation and/or taxation to the private fund industry in the UK will depend, among other things, on how the UK negotiates its relationship with the EU as regards financial services. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities).

While the most immediate impacts of Brexit on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and the EU.

## Data Privacy

The General Data Protection Regulation (“GDPR”) came into effect on May 25, 2018. The purpose of the GDPR is to provide for the protection of the individual’s right to privacy with respect to the processing of personal data.

The GDPR is directly applicable in all EEA member states, creating a single legal framework that results in a more uniform application of data privacy laws across the EU. Following the withdrawal of the UK from the European Union, the GDPR has been retained in UK law, as the UK General Data Protection Regulation (“UK GDPR”). The UK’s data protection regime primarily consists of the UK GDPR and the UK Data Protection Act 2018 (the “UK DP Laws”). The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, and it is also unclear how the UK DP Laws will develop in the medium to longer term.

To the extent that the General Partner, the Investment Manager or their respective agents offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK (“Data Subjects”), the Investment Manager will be deemed to be a “controller” with respect to personal data collected from such Data Subjects and will be required to comply with the provisions of the GDPR and UK DP Laws, which are extensive and require consistent and thorough application. The GDPR and the UK DP Laws implement more stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities. For the purposes of this risk factor, references to the “Investment Manager” shall be construed to include the General Partner and affiliates of the Investment Manager and the General Partner if, and to the extent, appropriate in the circumstances.

Controllers must put in place the necessary mechanisms to allow Data Subjects to exercise their data subject rights, such as the right to access and rectify their personal data, the right to impose restrictions on processing, and in certain circumstances the right to request the deletion of personal information, to request the transfer of such information to another controller and to object to the processing of their personal information. The GDPR provides that EEA member states may make their own additional laws and regulations in relation to certain data processing activities, and may impose stricter governance requirements, which could limit the Investment Manager’s ability to use and share personal data or could require localized changes to the Investment Manager’s and the Partnership’s operating models (if applicable). The provisions of the GDPR and UK DP Laws may also apply to the Partnership’s Investments, to the extent that they are established in the EU and the UK, or offer goods or services to, or monitor the behavior of, EEA and UK Data Subjects.

To the extent applicable, we are also subject to certain rules with respect to cross-border transfers of personal data out of the EEA and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and the UK to the United States. Most recently, on July 16, 2020, the Court of Justice of the European Union (“CJEU”) invalidated the EU-US Privacy Shield Framework (“Privacy Shield”) under which personal data could be transferred from the EEA to US entities who had self-certified under the Privacy Shield scheme.

While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place, however, the nature of these additional

measures is currently uncertain. The CJEU went on to state that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination country and the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that transfer.

As appropriate, we may rely on the standard contractual clauses to transfer personal data outside the EEA, including to the U.S. among other data transfer mechanisms pursuant to the GDPR, but excluding the EU-US Privacy Shield. Developments in privacy laws and regulation are likely to require us to review and amend the legal mechanisms by which we make and/ or receive personal data transfers to/ in the U.S. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations.

Under the GDPR fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be imposed for non-compliance. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of £17.5 million or 4% of global annual turnover. In addition to the foregoing, a breach of the GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs and diversion of internal resources.

An assessment by a competent authority in the EEA and the UK that the Investment Manager has not complied with the requirements of the GDPR and UK DP Laws (if applicable) could result in serious financial and reputational damage to the Investment Manager and the Partnership. These laws (if applicable) also could cause costs of the Partnership and its Investments to increase and result in further administrative burden, which is likely to reduce capital and time that can be deployed for making investments.

Global data protection laws are evolving and as the Partnership may be continually subject to new laws, regulations or standards or new interpretations of existing laws, regulations or standards, these laws could affect the Partnership if it incurs additional costs and restrict business operations. Failure by the Partnership to comply with applicable requirements may result in governmental enforcement actions, litigation, (actual or contingent) fines and penalties or adverse publicity, which could have an adverse effect on their and the Partnership's reputation and adversely affect the business and assets of the Partnership.

## **Legal and Regulatory Environment for Private Investment Funds and their Managers**

The legal, tax and regulatory environment worldwide for private investment funds (such as the Partnership) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Partnership to pursue its investment program and the value of Investments held by the Partnership. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators could have a material adverse effect on the Partnership and the Limited Partners' investments therein. The effect of any future regulatory changes on the Investment Manager, the General Partner, the Partnership, and/or any investor, could be substantial and result in material amendments to the terms of the Partnership Agreement and other Fund documents. In addition, the General Partner may, in its sole discretion, cause the Partnership to be subject to certain laws and regulations if it believes that an Investment or business activity is in the Partnership's interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners.

## **Dodd-Frank Act**

As a result of the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States Area (the “Dodd-Frank Act”), there have been and will continue to be extensive rulemaking and regulatory changes that will affect private fund managers, the funds that they manage and the financial services industry as a whole. Additionally, under the Dodd-Frank Act, the SEC has mandated new recordkeeping and reporting requirements for investment advisers, which will add costs to the legal, operational and compliance obligations of the General Partner, the Investment Manager and the Partnership and increase the amount of time, attention, and resources that the General Partner and the Investment Manager spend on non-investment related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Partnership interact or may interact, including, but not limited to banks, non-bank financial institutions, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Partnership conducts business with its counterparties.

Furthermore, Title VII of the Dodd-Frank Act established a general framework for federal regulation of the over-the-counter (“OTC”) derivatives market and entities that participate in that market by mandating that the CFTC, the SEC and federal banking regulators adopt regulations implementing the derivatives-related provisions of the Dodd-Frank Act. While most of these regulations are already in effect, regulators continue to review and refine their initial rulemakings through additional interpretive guidance, staff no-action relief and supplemental rulemakings. As a result, any new regulations, or modifications to or interpretations of existing regulations, could significantly increase the cost of derivatives transactions, materially alter the terms of derivatives contracts, reduce the availability of derivatives to protect against risks we encounter, reduce our ability to close out or restructure our existing derivatives contracts, and increase our exposure to less creditworthy counterparties. If we are limited in any potential use of derivatives in the future as a result of amendments to regulations promulgated under Title VII of the Dodd-Frank Act, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures.

Title VII of the Dodd-Frank Act and the rules of the SEC, CFTC and federal banking regulators thereunder require the Partnership to comply with variation margin (and, depending on the Partnership and its affiliates’ aggregate volume of derivatives trading activity, potentially initial margin) requirements for any uncleared OTC derivatives contracts with CFTC-regulated swap dealers and SEC-registered security-based swap dealers, which may result in increased costs and could adversely affect the ability of the Partnership to use derivatives to hedge its risks.

Moreover, Title VII of the Dodd-Frank Act requires that certain instruments be centrally cleared and executed on a regulated exchange or other approved trading platform, which may also result in increased costs in the form of intermediary fees and additional margin requirements imposed by derivatives clearing organizations and their respective clearing members. The CFTC has designated certain interest rate swaps and credit default swaps for mandatory clearing and mandatory trading on CFTC-registered designated contract markets or swap execution facilities, and may (but has not yet proposed to) designate additional classes of swaps for mandatory clearing and exchange trading in the future. The mandatory clearing rules and related increased costs may affect the Partnership’s hedging strategy and ability to use such derivatives instruments if it chooses to do so.

## **The Investment Manager is Subject to Extensive Regulation**

The Investment Manager is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. government agencies and state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of an investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against the Investment Manager or its personnel. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the Investment

Manager or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Investment Manager's reputation and adversely affect its ability to serve as investment manager of the Partnership.

### **Natural Disasters, Terrorist Acts and Similar Dislocations**

Upon the occurrence of a natural disaster such as flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest, the impacted country or region may not efficiently and quickly recover from such event, which can have a material adverse effect on the Partnership's Investments and other development in such country or region. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions abroad, and terrorist actions worldwide, could have significant adverse effects on U.S. and world economies and securities markets and on the U.S. real estate market. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation, availability of borrowing and other factors relating to the Partnership's Investments.

### **Misconduct of Employees and of Third-Party Service Providers**

Misconduct by employees of the General Partner or the Investment Manager or by third-party service providers could cause significant losses to the Partnership. Employee misconduct may include binding the Partnership to unauthorized transactions or present unacceptable risks. Losses could also result from actions by third-party service providers, including the misappropriation of assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Partnership's business prospects or the Partnership's future marketing activities.

The Partnership may also be adversely affected if there is misconduct by management or employees of companies involved in real estate projects in which the Partnership invests, even though the Partnership may be unable to control or mitigate such misconduct. Further, although the Partnership has adopted measures reasonably designed to prevent and detect employee misconduct and to select reliable third-party service providers, such measures may not be effective in all cases.

### **Tax Risk Factors**

#### ***General Tax Considerations***

Investors may have unexpected or unwelcome tax consequences as a result of investing in the Partnership. The Partnership is expected to be treated as a partnership for U.S. federal income tax purposes. As is generally the case for similar private investment vehicles, an investment in the Partnership will give rise to a variety of complex U.S. federal income tax and other tax issues for Limited Partners. Those issues may relate to special rules applicable to certain types of investors, such as tax-exempt entities, financial institutions, individuals, dealers in securities and non-U.S. persons. Because of limitations on the deductibility of losses and expenses relating to the Partnership, an investor may not be able to use losses or expenses generated by the Partnership to offset income or gain generated by the Partnership or to offset income or gain recognized by the investor from sources other than the Partnership. The Partnership may not be able to furnish the Partners' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In that case, each Partner would have to file requests for extension of the time for filing the Partner's U.S. tax returns. Prospective investors are urged to consult their tax advisors with specific reference to their own situations concerning an investment in the Partnership. See Section X – "Certain Regulatory, Tax, ERISA and Related Considerations – Certain U.S. Federal Income Tax Considerations."

#### ***Investors May Recognize Taxable Income Without Receiving Cash***

The Partnership is expected to be treated as a partnership for U.S. federal income tax purposes. Each Limited Partner, in determining its U.S. federal income tax liability, will take into account annually its allocable share of items



of income, gain, loss, deduction and credit of the Partnership, without regard to whether it has received distributions from the Partnership. Because of the nature of the Partnership's investment activities, the Partnership may generate taxable income in excess of cash distributions to Limited Partners and no assurance can be given that the Partnership will make cash distributions to cover such tax liabilities as they arise. Accordingly, each Limited Partner should ensure that it has sufficient cash flow from other sources to pay all tax liabilities resulting from such Limited Partner's ownership of Interests in the Partnership.

#### ***Tax-Exempt and Non-U.S. Investors May Be Subject to U.S. Tax***

The Partnership may generate income that is taxable to certain U.S. tax-exempt investors as UBTI and ECI that is taxable to non-U.S. investors. Such income would generally give rise to U.S. tax reporting and payment obligations for U.S. tax-exempt investors and non-U.S. investors in the Partnership. The General Partner may make certain decisions, adopt certain investment or disposition structures or forgo certain actions in order to maximize pre-tax returns for investors, the result of which could be that U.S. tax-exempt investors recognize more UBTI or non-U.S. investors recognize more ECI than might be the case with other structures or decisions. The General Partner has no obligation to avoid or limit the recognition of UBTI by U.S. tax-exempt investors or ECI by non-U.S. investors.

#### ***State and Local Taxes***

In addition to being taxed in its own state or locality of residence, a Limited Partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Partnership (or an entity in which the Partnership invests) operates. For taxable years beginning before January 1, 2026, certain limitations may apply to a non-corporate Limited Partner's ability to deduct its allocable share of any state and local taxes. Prospective investors should consult their tax advisors regarding the state and local tax consequences of an investment in the Partnership.

#### ***Possible Legislative or Other Actions Affecting Tax Aspects***

The present U.S. federal income tax treatment of an investment in the Partnership may be modified by legislative, judicial or administrative action at any time and any such action may affect investments and commitments previously made. The U.S. federal income tax rules are constantly under review by persons involved in the legislative process and by the Internal Revenue Service ("IRS") and the U.S. Treasury Department, resulting from time to time in the adoption of new Treasury Regulations (as defined herein) or changes to the existing regulations, revised interpretations of established concepts, as well as statutory changes. Any changes to the U.S. federal tax laws or interpretations thereof could adversely affect the tax treatment of an investment in the Partnership.

#### ***Potential Challenges by IRS or Other Tax Authorities***

The IRS or other tax authorities may challenge the Partnership's treatment of items of income, gain, loss deduction or credit or the Partnership's characterization of its transactions. There can be no assurance that any such challenge may not be successful or result in adverse tax consequences to the Partnership and the Partners. An audit of the Partnership may also result in an audit of a Limited Partner's own tax returns. Under audit procedures that apply to entities treated as partnerships for U.S. federal income tax purposes, if the IRS audits the Partnership and successfully asserts a proposed adjustment to the Partnership's treatment of items of income, gain, loss deduction or credit, any resulting increase in taxes, interest or penalties from such adjustment may be imposed on, and collected directly from, the Partnership in the year in which the tax audit is finally resolved (as opposed to adjusting the income of the persons who were Limited Partners in the Partnership in the year to which such audit relates). As a result, tax liabilities from previous years may be imposed on the Partnership in later years, which may result in such taxes being borne indirectly by Limited Partners in later years, including Limited Partners who acquired their Interest in the Partnership after the taxable year to which such audit relates. The Partnership anticipates requiring transferee Limited Partners to agree to be liable for the transferor's share of any such tax liabilities that may be imposed on the Partnership. Furthermore, the tax liabilities resulting under the partnership audit rules may be higher than the taxes that would have been imposed on a Limited Partner if the adjustment had been made at the partner-level, because the partnership audit rules do not fully take into account a

Limited Partner's particular circumstances. The same rules will also apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Partnership has an investment. Prospective investors should consult their tax advisors regarding the potential consequences of these partnership audit rules with respect to an investment in the Partnership.

### ***Exit Strategies***

Limited Partners may experience adverse tax consequences as a result of any transactions undertaken in connection with the arrangements described in Section VIII — "Detailed Summary of Terms — Qualifying Sale." For example, it is possible that such transactions may cause a Limited Partner to recognize gain or other income with respect to its Interest prior to the receipt of cash corresponding to such income, or that the deductibility of any loss recognized in connection with such transactions may be disallowed in whole or in part. It is also possible that such transactions may generate income that is UBTI to a Tax-Exempt Limited Partner or income that is ECI or otherwise subject to U.S. withholding tax in the hands of a Non-U.S. Limited Partner. Following such transactions, a Limited Partner may hold interests in entities or structures that are less favorable to such Limited Partner from a tax perspective than the Limited Partner's Interest in the Partnership. Prospective investors should consult their tax advisors regarding the possible exit strategies that may be undertaken in connection with an investment in the Partnership.

### ***Taxation in Other Jurisdictions***

If the Partnership makes an investment in a jurisdiction outside the United States, the Partnership or the Limited Partners may be subject to income or other tax in that jurisdiction. Additionally, withholding or other taxes may be imposed on income or gains of the Partnership from investments in such jurisdictions. Limited Partners may be unable to claim: (i) a credit against tax that may be owed in the United States or their respective local tax jurisdictions; or (ii) a deduction against income taxable in the United States or such local jurisdictions, with respect to any local tax incurred in a non-U.S. jurisdiction by the Partnership (or vehicles through which the Partnership invests).

Investors not resident in the U.S. will generally be subject to taxation in respect of their investment in the Partnership in accordance with the laws of the jurisdiction in which they are resident or otherwise subject to tax. The tax consequences of to such investors under local tax laws may be unfavorable and may be subject to risk of change of law or regulation affecting such taxation, among other risks. The structure of the Partnership investments may not provide optimal tax outcomes for all investors in all jurisdictions. Prospective investors should consult their tax advisors regarding the non-U.S. tax consequences of an investment in the Partnership.

## **Risks Related to REITs**

### ***Unrelated Business Taxable Income***

It is possible that the Partnership will elect to hold some or all of its investments through one or more subsidiaries which intend to qualify as REITs for U.S. federal income tax purposes (each a "REIT Subsidiary"). If the Partnership forms a REIT Subsidiary, the Partnership may hold some or all of its REIT-qualifying assets through the REIT Subsidiary. So long as the REIT Subsidiary is not a "pension-held REIT," which is not expected to be the case, the Partnership does not believe that it would cause any Tax-Exempt Limited Partner that has not leveraged its investment in the Partnership to incur UBTI with respect to such investments held through the REIT Subsidiary. If (i) the Partnership does not form a REIT Subsidiary, or elects to hold only a portion of its assets through the REIT Subsidiary; (ii) the REIT Subsidiary becomes a "pension-held REIT;" or (iii) the Partnership is unable to make investments through the REIT Subsidiary, an investment in the Partnership could cause a tax-exempt investor to incur UBTI. Prospective investors that are tax-exempt entities should consult with their own advisors prior to making an investment in the Partnership as to the potential UBTI and other tax consequences that may apply to their particular situations.

***Changes in the Ownership of a Limited Partner Could Cause the Limited Partner's Interest in the Partnership to Become Excess Interests.***

If the Partnership forms a REIT Subsidiary, the Partnership Agreement will contain provisions that will restrict the beneficial and constructive ownership of Interests by any person to 9.8% of the outstanding Interests in order to ensure the REIT Subsidiary will satisfy certain REIT requirements. Changes in the ownership of a Limited Partner could result in a person beneficially or constructively owning more than 9.8% of the outstanding Interests, thereby causing all or a portion of such Limited Partner's Interests to be transferred to a trust for the benefit of a charitable beneficiary. See Section X – "Certain Regulatory, Tax, ERISA and Related Considerations – U.S. Federal Income Taxation."

***The REIT Subsidiary May Be Required to Borrow Funds to Meet the REIT Distribution Requirements***

If the Partnership forms a REIT Subsidiary, the REIT Subsidiary will be required to distribute at least 90% of its REIT taxable income each year, determined without regard to the dividends paid deduction and excluding any net capital gain, and it will be subject to regular corporate income taxes to the extent that it distributes less than 100% of its REIT taxable income each year. In addition, the REIT Subsidiary will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by it in any calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years. To maintain its REIT status and avoid the payment of income and excise taxes, the REIT Subsidiary may need to borrow funds to meet the REIT distribution requirements. These borrowing needs could result from: (i) differences in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes, (ii) the effect of non-deductible capital expenditures, (iii) the creation of reserves, or (iv) required debt or amortization payments.

***Failure to Qualify as a REIT May Have Adverse Consequences***

If a REIT Subsidiary fails to qualify as a REIT, it will be subject to tax as a regular corporation and face substantial tax liability. This will substantially reduce the amount available to the REIT Subsidiary for distribution to the Partnership and the amount available for the Partnership to distribute to its Partners. The Partnership intends to operate each REIT Subsidiary in a manner that will allow it to qualify as a REIT for U.S. federal income tax purposes under the Code. Qualification as a REIT involves the application of highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations. Even a seemingly minor technical or inadvertent mistake could jeopardize the REIT status of the REIT Subsidiary. REIT status depends upon various factual matters and circumstances that may not be entirely within the REIT Subsidiary's control. For example, in order to qualify as a REIT, at least 95% of a REIT's gross income in any year must be derived from qualifying sources, such as rents from real property, and it must satisfy a number of requirements regarding the composition of its assets. In addition, new legislation, regulations, administrative interpretations or court decisions, each of which could have retroactive effect, may make it more difficult or impossible for it to qualify as a REIT. If a REIT Subsidiary fails to qualify as a REIT in any taxable year: (i) it would not be allowed to deduct distributions to the Partnership and its other stockholders in computing its taxable income and would be subject to U.S. federal income tax at the regular corporate rate, (ii) it could be subject to increased state and local taxes, and (iii) unless it is entitled to relief under applicable statutory provisions, it could not elect to be taxed as a REIT for four taxable years following the year in which it was disqualified, and thus its cash available for distribution to the Partnership and the cash available for the Partnership to distribute to its Partners would be reduced. Non-corporate shareholders of a REIT, including individuals, generally may deduct 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026. If a REIT Subsidiary fails to qualify as a REIT, Limited Partners may not claim this deduction with respect to dividends paid by the REIT Subsidiary.

***Gain on the Disposition of Assets Deemed to be Held for Sale in the Ordinary Course could be Subject to 100% Tax***

A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held in inventory or primarily for sale to customers in the ordinary course of business. Although the Partnership and any REIT Subsidiary do not intend to hold any properties that would be characterized as inventory or held for sale to customers in the ordinary

course of business, subject to certain statutory safe-harbors, such characterization is a factual determination, and no guarantee can be given that the IRS would agree with the characterization of properties held by a REIT Subsidiary or that a REIT Subsidiary will always be able to make use of the available safe-harbors.

***Compliance with REIT Requirements May Hinder the REIT Subsidiary's Ability to Operate Solely on the Basis of Maximizing Profits***

If the Partnership forms a REIT Subsidiary, the REIT Subsidiary would be required to continually satisfy tests concerning, among other things, its sources of income, the nature and diversification of its assets, the amounts it distributes to its stockholders, including the Partnership, and the ownership of its equity, in order to qualify as a REIT for U.S. federal income tax purposes. The REIT Subsidiary may also be required to make distributions to shareholders at disadvantageous times or when it does not have funds readily available for distribution. The REIT provisions of the Code may limit the REIT Subsidiary's ability to hedge its financial assets and related borrowings. Thus, compliance with REIT requirements may hinder the REIT Subsidiary's ability to operate solely on the basis of maximizing profits.

If the Partnership forms a REIT Subsidiary, the REIT Subsidiary would also be required to ensure that at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, U.S. government securities and qualified REIT real estate assets in order to qualify as a REIT. The remainder of the REIT Subsidiary's investment in securities (other than U.S. government securities, securities of any taxable REIT subsidiary ("TRS") or qualified REIT subsidiary and securities that are qualified real estate assets) cannot include more than 10% of the outstanding voting securities of any one issuer or 10% of the total value of the outstanding securities of any one issuer. In addition, no more than 5% of the value of the REIT Subsidiary's assets can consist of the securities (other than U.S. government securities, securities of any TRS or "qualified REIT subsidiary" and securities that are qualified real estate assets) of any one issuer. Additionally, no more than 20% of the value of the REIT Subsidiary's total assets may be represented by the securities of one or more TRSs. Finally, no more than 25% of a REIT Subsidiary's assets may consist of "nonqualified publicly offered REIT debt instruments." If a REIT Subsidiary fails to comply with these requirements, it must dispose of a portion of its assets within 30 days after the end of the calendar quarter or qualify for certain limited statutory relief provisions to avoid losing its status as a REIT. As a result, it may be required to liquidate otherwise attractive investments. These actions could have the effect of reducing a REIT Subsidiary's income and amounts available for distribution to its stockholders, including the Partnership.

***Legislative Risks Associated with REITs***

There can be no assurance that federal laws and regulations pertaining to REITs will not change before the REIT Subsidiary is established and qualified, or, once established and qualified, that such laws and regulations would not have a retroactive effect on the REIT Subsidiary.

***Limitations Associated with REIT Structure and TRS***

A REIT may own up to 100% of the stock of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT, including gross operating income from operations pursuant to management contracts. A subsidiary that intends to be treated as a TRS of a REIT and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the securities will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. The TRS rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis.

If the Partnership forms a REIT Subsidiary, and the REIT Subsidiary forms one or more TRSs, the TRSs will pay applicable federal, foreign, state and local income tax on its taxable income, and its after-tax net income will be available for distribution to but is not required to be distributed by the TRSs to the REIT Subsidiary. It is anticipated that, if the Partnership uses a REIT structure, the aggregate value of the securities of the REIT Subsidiary's TRSs will be less than 20% of the value of the REIT Subsidiary's total assets. Furthermore, the Partnership will monitor the value of the REIT Subsidiary's respective investments in its TRSs for the purpose of ensuring compliance with TRS ownership

limitations. In addition, the Partnership will scrutinize all of the REIT Subsidiary's transactions with its TRSs to ensure that they are entered into on arm's-length terms to avoid incurring the 100% excise tax described above. There can be no assurance, however, that the REIT Subsidiary will be able to comply with the TRS ownership limitation discussed above or to avoid application of the 100% excise tax discussed above.

#### **Additional Legal, Tax and Regulatory Risks**

The Partnership must comply with various legal requirements, including those imposed by securities laws, tax laws and pension laws. Should any of such laws change over the Term, the legal requirements to which the Partnership and the Partners may be subject could differ materially from the current requirements and adversely affect the Partners. In addition, the Investment assets to be acquired by the Partnership will be subject to numerous federal, state, and local laws and regulations concerning environmental and safety matters, zoning, development, utilities, land use, and similar laws and regulations. Although the Partnership does not anticipate incurring any material costs in compliance with such laws and regulations beyond those regularly incurred, there can be no assurance that future changes in such laws and regulations will not have a material effect on the Partnership's operations.

**THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE PARTNERSHIP, ESPECIALLY SINCE THE PARTNERSHIP HAS THE FLEXIBILITY TO ENGAGE IN A WIDE RANGE OF INVESTMENT STRATEGIES AND THE FULL RANGE OF STRATEGIES AND MARKETS IN WHICH THE PARTNERSHIP MAY INVEST CANNOT BE SPECIFIED IN ADVANCE. POTENTIAL INVESTORS SHOULD READ THIS MEMORANDUM, THE SUBSCRIPTION DOCUMENTS AND THE PARTNERSHIP AGREEMENT IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE PARTNERSHIP.**

## CONFLICTS OF INTEREST

*The Partnership may be subject to a number of actual and potential conflicts of interest. Although the General Partner and the Investment Committee Members will devote to the Partnership as much time as is necessary or appropriate, in their judgment, to manage the Partnership's activities, certain of the Investment Committee Members and their affiliates also provide discretionary investment management services to other Clients (as defined below), investment programs and investment vehicles. The following briefly summarizes some of the conflicts to which the Partnership is subject, but is not intended to be an exclusive list of all such conflicts. Any references to the General Partner and the Investment Manager in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees. By subscribing for Interests in the Partnership, each investor will be deemed to have acknowledged the existence of such conflicts of interest and to have waived any such conflict of interest.*

### Generally

The Investment Manager and its affiliates currently manage and may in the future manage other businesses, funds, investment vehicles and accounts (collectively, "Clients") that invest in, and in some cases, have priority ahead of the Partnership with respect to investments eligible for purchase by the Partnership. This situation presents the potential for conflicts of interest. While the Investment Manager and its affiliates will seek to manage such potential conflicts of interest in good faith, there may be situations in which the interests of the Partnership with respect to a particular investment or other matter conflict with the interests of one or more other Clients, the Investment Manager or one or more of their respective affiliates.

### Other Activities of the Investment Committee Members

The Investment Committee Members will devote such time as shall be reasonably necessary to conduct the business affairs of the Partnership in an appropriate manner. The Investment Committee Members and their affiliates are not prohibited from engaging directly or indirectly, in any other business venture. Because certain of the Investment Committee Members may devote significant time to other projects as discussed previously, including other financial services firms or other real estate investment funds and businesses, conflicts may arise in the allocation of management resources. The Partnership will have no interest in such other projects, investments, funds and businesses. None of the Investment Committee Members are prohibited from raising money for another entity that makes the same type of investments that the Partnership seeks to acquire.

Not only do certain of the Investment Committee Members have investments and commitments away from the Partnership, certain of the Investment Committee Members are the owners or employees of companies and businesses that are separate from the Partnership and as a result they may owe fiduciary obligations to these companies and businesses, including Bridge. Mr. Morse and Mr. Slager are actively involved in the affairs of Bridge Multifamily Funds III, IV and V, Bridge Workforce Funds I and II, Bridge Seniors Funds I, II and III, Bridge Office Funds I, II and III, Bridge Net Lease Income Fund and Bridge Single-Family Rental Fund IV. Mr. Morse and Mr. O'Farrell are actively involved in the affairs of Bridge Debt Strategies Funds I, II, III and IV. Mr. Morse, Mr. Slager and Mr. O'Farrell are actively involved in the affairs of Bridge Logistics Value Fund I, Bridge Opportunity Zone Funds I, II, III, IV, V and VI and Bridge Agency MBS Fund. Mr. Cornforth and Mr. Gagne are actively involved in the affairs of Bridge Logistics Value Fund I. Mr. Morse and Mr. Slager may also have time commitments away from the Partnership as members of the board of directors of Bridge Investment Group Holdings Inc. (NYSE: BRDG) (the "Bridge Public Parent"). Various other key principals and employees of the Investment Manager are similarly involved with various other businesses and investment funds as further described herein. See Section VII — "The General Partner, the Investment Manager and Management Overview."

Pursuant to existing Bridge policies (which may be changed by Bridge in the future in its sole discretion), if a member of the Investment Committee is deemed to have a material conflict of interest with respect to a presented investment opportunity, such member will be prohibited from voting on the matter.

## Related-Party Transactions

In the operation of the Partnership, the General Partner, the Investment Manager and the Investment Committee Members may have conflicts of interest in connection with transactions with or services provided to the Partnership itself. If the General Partner, the Investment Manager or any of their respective affiliates, including the Investment Committee Members, engages in any related-party transaction in which compensation is paid, the General Partner will evaluate the terms of such transactions to ensure that the terms will, in the good faith judgment of the General Partner, be fair to the Partnership and, in the sole discretion of the General Partner, will be consistent with market rates. Conflicts may arise, however, because such compensation will not be determined through arm's-length negotiation and the General Partner will not guarantee the performance by its affiliates of any services provided to the Partnership.

In particular, Bridge Debt Capital Markets is a mortgage broker, debt placement agent and is expected to be appointed from time to time to acquire debt financing for the Partnership's assets. The Partnership or its subsidiaries, as applicable, may pay to Bridge Debt Capital Markets and to related entities and other brokers, market-rate brokers, finders, placement fees, or debt sourcing fees. The Partnership or its subsidiaries, as applicable, may pay debt sourcing fees to affiliates of the Investment Manager (including Bridge Debt Capital Markets) with respect to debt sourced (including any refinancing) by such affiliate in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) the sum of (a) 0.65% of the gross amount of such indebtedness up to \$7,500,000, (b) 0.45% of the gross amount of such indebtedness over \$7,500,000 up to \$25,000,000, (c) 0.35% of the gross amount of such indebtedness over \$25,000,000 up to \$50,000,000, and (d) 0.25% of the gross amount of such indebtedness in excess of \$50,000,000. The Partnership or its subsidiaries, as applicable, may also pay acquisition fees to the Investment Manager or its affiliates with respect to any acquisition of an already built asset acquired by the Partnership in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) the sum of (a) 1.0% of the gross acquisition cost of the Investment up to \$30,000,000, (b) 0.75% of the gross acquisition cost of the Investment over \$30,000,000 up to \$50,000,000, and (c) 0.5% of the gross acquisition cost of the Investment in excess of \$50,000,000. The Partnership or its subsidiaries, as applicable, may also pay development fees to the Investment Manager or its affiliates with respect to any new development an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) 4.5% of the gross development cost of the Investment (including hard and soft costs, but excluding any land or finance costs). In addition, the Partnership or its subsidiaries, as applicable, may pay construction management fees to the Investment Manager or its affiliates with respect to any renovations, deferred maintenance and other capital repair expenditures on existing assets (i.e., not in duplication of the development fee for new developments), in an aggregate amount not to exceed (whether paid by the Partnership directly or paid indirectly through a portfolio entity) (a) 5.0% of approved budgeted costs for projects budgeted up to \$100,000, (b) 4.0% of approved budgeted costs for projects budgeted over \$100,000 up to \$350,000, and (c) 3.0% of approved budgeted costs for projects budgeted in excess of \$350,000.

Bridge Fund Financial Services LLC, an affiliate of the General Partner, may provide fund administration services for the Partnership in exchange for fees, which will be at or below market rates. The Partnership's assets are expected to benefit from Bridge's master insurance program, which may bear the risk of certain insurable losses for those assets; depending on losses incurred in a given year, this master insurance program could result in net gains for affiliates of the Investment Manager (which are not expected to be material in the aggregate). Affiliates of the Investment Manager may also provide short-term financing for Investments in certain cases; any such financing will be repaid plus interest thereon and all costs associated with such financing (including amortization of loan costs and expenses), in each case at the applicable lender's cost of borrowing. The Partnership may also pay to the Investment Manager or its affiliates the following fees (all of which will be at or below market rates): (1) property management fees; (2) reimbursement for reasonable legal fees of in-house legal personnel charged on a time-incurred basis, and reasonable fees of in-house tax professionals charged on either a time-incurred basis or project basis, consistent with market practice, for work related specifically to the Partnership; and (3) procurement services overhead allocation. These fees will not offset or otherwise reduce any Management Fees or Carried Interest paid to the Investment Manager or the General Partner and will not require approval of the Advisory Committee or the Limited Partners.

Moreover, the General Partner may, in its sole discretion, establish a parallel partnership domiciled in the Grand Duchy of Luxembourg or elsewhere in Europe. In such event, Bridge Europe, an affiliate of the General Partner established in the Grand Duchy of Luxembourg, may be engaged by the General Partner, the Investment Manager or their respective affiliates to provide certain alternative investment fund management services to such parallel partnership. Bridge Europe shall charge fees based on the net asset value of the parallel partnership, subject to certain minimum fees.

Furthermore, the General Partner or its affiliates may, or may establish related entities, including Bridge Solar Fund and its affiliated entities, to, (a) lease solar equipment to be used at properties owned by the Partnership by tenants or the Partnership or its affiliates, (b) lease rooftop space at properties owned by the Partnership to generate and sell solar power, at or below market rates, to tenants of such properties, the Partnership or its affiliates or utility providers, or (c) provide conventional financing to investments in rooftop solar energy production. It will be the opportunity of the Investment Manager (and such affiliates or related entities of the Investment Manager as the Investment Manager may select in its sole discretion), and not the opportunity of the Partnership, to engage in such leasing or financing business. The Investment Manager or its affiliates may collect fees (including financing fees) in connection with such leasing business and related solar equipment transactions, as well as such financing business, which fees will not accrue to the benefit of the Partnership or the Limited Partners in any manner and will not offset any Management Fees or Carried Interest. Owners of any such solar equipment may be entitled to tax credits, which tax credits are not expected to flow through to the Partnership or the Limited Partners.

Lumen is expected to provide certain software and other services for the Partnership or assets held directly or indirectly by the Partnership in exchange for fees, which will be at or below market rates as determined by the General Partner in its sole discretion. Although the terms of any software or other services between the Partnership or its affiliates and Lumen are expected to be substantially similar to those negotiated with third-party customers of Lumen, there will be no third-party verification of such market terms and there is no assurance that such terms will be substantially similar to those provided by unaffiliated parties in all material respects. Bridge holds an ownership interest in Lumen, and the direct or indirect owners of Bridge, including members of the Investment Committee, may be indirect owners of Lumen through their ownership of Bridge. Bridge is entitled to direct and indirect compensation (including the right to receive or acquire additional ownership interests) in connection with the utilization of Lumen services or products by the Partnership or other Bridge-affiliated investment or other vehicles.

In addition, the Partnership may, or may cause any of the Partnership's assets to, contract with, pay fees to or engage in transactions with, businesses in which the Investment Manager or its Affiliates hold an interest, for any services or products obtained by the Partnership or its subsidiaries from such Persons or businesses at arm's length rates that would be available to third parties for similar services or products. To the extent the Investment Manager or its Affiliates (including Bridge Ventures Fund and any successor fund thereto) have invested in such businesses, they may receive indirect compensation in connection with the utilization of such services or products by the Partnership and its assets. The General Partner and the Investment Manager may have incentives to direct the Partnership and its subsidiaries to use the products and services offered by the General Partner, the Investment Manager or their Affiliates, or any entity in which the General Partner, the Investment Manager or their Affiliates hold any interest, where better products or services may be offered by others or equivalent products or services may be offered by others at better prices.

## **Expense Allocations**

The General Partner expects some resources to be shared among the Partnership and other Clients to, among other things, enhance efficiency and reduce the cost for each Client. The General Partner, the Investment Manager and their respective affiliates take into account a variety of considerations when allocating such expenses between and among various Clients. The General Partner, the Investment Manager and their respective affiliates use methods that they believe, at the time such determinations are made, are fair and reasonable in making the allocations in its discretion. These methods vary depending on the type of expense, including, without limitation, allocations based on



assets under management, net asset value, holdings percentages, number of positions held by different funds and accounts, number of funds and accounts in a particular strategy, number of users of such resource within a strategy and time spent. Despite the good faith judgment of the General Partner, the Investment Manager and their respective affiliates to arrive at a fair and reasonable expense allocation methodology, the use of any particular methodology may lead the Partnership to bear relatively more expense in certain instances and relatively less in other instances compared to what the Partnership would have borne if a different methodology had been used. However, each of the General Partner, the Investment Manager and their respective affiliates seeks to make allocations that are equitable on an overall basis in its good faith judgment. From time to time, the General Partner in its good faith judgment may revise or change previously determined allocation methodologies in an effort to ensure that such expenses remain fairly and reasonably allocated among the Partnership and such other Clients.

### **Other Investment Vehicles and Accounts**

The General Partner and the Investment Manager and their affiliates, including certain of the Investment Committee Members, currently manage and advise (or may in the future manage and advise) other Clients that may have objectives that are similar or overlap, in whole or in part, to the Partnership; as a result, in certain situations conflicts of interest may arise with the allocation of investment opportunities. In particular, affiliates of the General Partner and the Investment Manager currently manage several investment funds that are currently in deployment which may have overlapping investment objectives with those of the Partnership, and such affiliates may in the future manage or advise new funds and other investment vehicles with similarly overlapping investment objectives. In the event that an investment opportunity is suitable for the Partnership as well as another Client for which the General Partner or an affiliate acts as the general partner or investment adviser (or any other similar capacity), such investment opportunity will be allocated between the Partnership and such other Client in accordance with the Investment Manager's allocation policy, as it may be amended from time to time in the Investment Manager's sole discretion (the "Allocation Policy"). The Partnership does not hold any priority rights over any investment opportunity other than as expressly set forth in the Partnership Agreement and/or the Investment Manager's Allocation Policy. Certain of the Investment Manager's Clients have priority over the Partnership with respect to certain investments for which their mandates overlap.

To the extent that any of the Investment Committee Members becomes aware of an investment opportunity in a logistics investment available to an affiliated company, business or Client (not including Exempted Funds or other Bridge-affiliated vehicles that have priority in accordance with the Investment Manager's Allocation Policy) that is consistent with the Partnership's Investment Guidelines (as defined in the Partnership Agreement) and target investment criteria, the Investment Committee will generally review the opportunity at the next scheduled Investment Committee meeting and will either vote to (i) assume the affiliate's bidding position with respect to the investment opportunity, or (ii) refuse to take further action with respect to the investment opportunity on behalf of the Partnership. The Investment Committee Members may vote to refuse to take further action with respect to the investment opportunity for any reason. Should the Investment Committee vote to refuse to take further action with respect to the investment opportunity, then the affiliate would be permitted to pursue and invest in the investment opportunity. The Investment Committee may also elect to cause the Partnership to participate in such investment opportunity alongside such other Client on terms the General Partner determines in good faith are equitable based on the Allocation Policy.

In addition to the above, the General Partner, the Investment Manager and their respective affiliates may consider any of the following (among other factors) when making determinations regarding the allocation of investment opportunities among the Partnership and any other Client: (a) the investment objectives of the applicable fund, (b) the size, nature and type of investment, (c) remaining available capital of the applicable fund, (d) investment fit within the investment thesis of the applicable fund, (e) investment risk-return profiles, (f) regional diversification considerations, (g) any potential conflicts of interest, (h) a determination by the General Partner and the Investment Manager or their affiliates that the investment or sale opportunity is inappropriate, in whole or in part, for one or more funds or accounts, (i) applicable regulatory obligations, including any requirements to offer investment opportunities to any Client pursuant to an SEC exemptive relief order and/or (j) such other factors as the General

Partner, the Investment Manager or their respective affiliates may deem relevant, including the amount of leverage, if any, appropriate for such investment and any co-investments alongside any Client.

The classification of an investment opportunity as appropriate or inappropriate for the Partnership or any Client will be made by the General Partner, the Investment Manager and their respective affiliates, in good faith, at the time of purchase and will govern in this regard. This determination frequently will be subjective in nature. Consequently, an investment that the General Partner, the Investment Manager or their affiliates determined was appropriate (or more appropriate) for the Partnership (or that the General Partner and the Investment Manager or their affiliates determined was appropriate (or more appropriate) for another Client) may ultimately prove to have been more appropriate for another Client (or for the Partnership). Furthermore, the decision as to whether the Partnership or any other Client should make a particular follow-on investment, or whether the follow-on investment will be shared in the same proportion as the original investment, may differ from the decision regarding the initial purchase due to a changed determination on this issue by the General Partner and the Investment Manager or their affiliates.

In addition, the General Partner and the Investment Manager or their affiliates may in the future manage and advise other Clients (including funds qualified under U.S. Treasury Regulation Section 1031) which may have objectives similar, in whole or in part, to those of the Partnership. In particular, the General Partner, the Investment Manager and their affiliates reserve the right to raise or manage one or more Managed Account Vehicles for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that overlap with, those of the Partnership. The Partnership may co-invest with such other Clients, including any Managed Account Vehicle, on a basis that the General Partner believes in good faith to be fair and reasonable. To the extent that the Partnership holds interests that are different (or more senior) than those held by a Managed Account Vehicle or any of such Clients, the General Partner and the Investment Manager may be presented with decisions involving circumstances where the interests of a Managed Account Vehicle or such other Client are in conflict or competition with those of the Partnership. While the General Partner and the Investment Manager will seek to manage potential conflicts of interest arising out of such overlapping investment objectives of the Partnership and such other Clients, there can be no assurance that the return on the Partnership's investment will be better than the returns obtained by the General Partner and the Investment Manager and their affiliates to such other Clients. Actions may be taken for the Managed Account Vehicle or other Client that are adverse to the Partnership.

It should be noted that the terms of a Managed Account Vehicle (including the economic terms, investment limitations, diversification parameters and governance rights afforded to investors in such Managed Account Vehicle) may materially differ from, or be materially more favorable to the investors in such Managed Account Vehicle than, the terms of the Partnership. Moreover, as a result of a Managed Account Vehicle's terms, including, for example, its investment limitations, diversification parameters and excuse and exclusion provisions, there may be one or more investment opportunities where such Managed Account Vehicle's participation is restricted or with respect to which the Partnership's share is disproportionate relative to such Managed Account Vehicle's interest therein. Conversely, it is also possible that a Managed Account Vehicle could receive a disproportionate share with respect to certain investment opportunities for such reasons. In addition, conflicts may arise in connection with the operation of the Partnership and a Managed Account Vehicle. Specifically, the Limited Partners in the Partnership and the limited partners of such Managed Account Vehicle vote separately on matters pertaining to their respective partnerships. For example, a determination by the investors in a Managed Account Vehicle to terminate such Managed Account Vehicle or its investment period where a corresponding action is not taken on behalf of the Partnership could affect the General Partner's ongoing investment management decisions with regard to the Partnership's Investments, including, with respect to the timing, size and terms of any disposition of such Investments on behalf of the Partnership, and any actions taken on behalf of such Managed Account Vehicle with respect to the winding up of its portfolio could adversely affect the Partnership's Investments. There can be no assurance that the return on any of the Partnership's Investments will be equivalent to or better than the returns obtained by a Managed Account Vehicle participating in such transaction.

As more fully set forth in Section VIII — "Detailed Summary of Terms – Restrictions on Non-Partnership Investments," not all investments which are consistent with the Partnership's investment objectives will be presented

to the Partnership. In addition, as set forth under Section VIII — “Detailed Summary of Terms – Co-Investment Policy” in some instances, Investments may be made available to and shared with third-party co-investors, and thus not all amounts available to the Partnership relating to an Investment will be presented to the Partnership. Co-investment opportunities may not be determined through arm’s-length negotiations with the Partnership. The Partnership generally will not be obligated to provide co-investment opportunities (or provide any concessions granted to any other investor upon becoming a partner) to any investor by reason of the fact that such opportunity was made available to any other investor.

If the General Partner determines it is necessary or appropriate (in its sole discretion) to resolve or mitigate a potential or actual conflict of interest, the General Partner reserves the right to cause the Partnership to take such steps as the General Partner deems necessary or appropriate, even if (subject to applicable law) such steps would require the Partnership to, among other things, (i) forego an investment opportunity or divest an investment that, in the absence of such potential or actual conflict, the Partnership would have made or continued to hold or (ii) otherwise take action that may have the effect of benefitting another business, account or Client of the General Partner, Investment Manager or their respective affiliates (or the General Partner, the Investment Manager or any of their respective affiliates directly) and therefore may not have been in the best interests of the Partnership or the Limited Partners. The General Partner may also (in its sole discretion) consult with the Advisory Committee regarding any potential or actual conflict of interest, and if the General Partner acts in a manner, or pursuant to standards or procedures, approved by the Advisory Committee with respect to such potential or actual conflict of interest, then to the fullest extent permitted by applicable law, the General Partner and the Investment Manager and their respective affiliates will not have any liability for such actions taken in good faith by them.

#### **Other Potential Real Estate Funds**

The General Partner reserves the right to raise additional real estate investment funds, including one or more funds formed to make investments that would be precluded or materially limited by the Partnership’s investment limitations or applicable law or regulation. See Section VIII — “Detailed Summary of Terms – Restrictions on Competing Funds.” The formation of any other real estate funds could result in the reallocation of personnel to such other real estate funds. In addition, potential Investments that may be suitable for the Partnership may be directed toward or shared with such other real estate funds.

#### **Diverse Limited Partner Group**

The General Partner manages the Partnership based on its overall objectives, not the objectives of any individual Limited Partner. The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Partnership and with respect to the interests of other Clients that may participate in the same Investments as the Partnership. The conflicting interests of Limited Partners with respect to other Limited Partners and relative to other Clients may relate to or arise from, among other things, the nature of Investments made by the Partnership and such other partnerships, the structuring or the acquisition of Investments, the timing of disposition of Investments by the Partnership and such other partnerships and the Limited Partner’s other investments and business activities, including making investments which compete with the Partnership and its Investments, purchasing assets or selling assets to the Partnership, or serving as a service provider to the Partnership on its Investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the General Partner and the Investment Manager, including with respect to the nature or structuring of Investments that may be more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In addition, the Partnership may make Investments that may have a negative impact in related investments made by the Limited Partners in separate transactions. In selecting and structuring Investments appropriate for the Partnership, the General Partner and the Investment Manager will consider the investment and tax objectives of the Partnership and its Partners (and those of other Clients) as a whole, not the investment, tax or other objectives of any Limited Partner individually.

#### **Effect of Carried Interest**

The existence of the General Partner's Carried Interest may create an incentive for the General Partner to cause the Partnership to make investments that are more speculative than would be the case in the absence of such performance-based compensation.

In order for gains that are attributable to the General Partner's Carried Interest to qualify as long-term capital gain for U.S. federal income tax purposes, the holding period for the asset giving rise to such gains generally must exceed three years. For Limited Partners, gains in respect of assets held for more than one year may qualify as long-term capital gain. Long-term capital gain recognized by non-corporate U.S. taxpayers may be subject to U.S. federal income tax at preferential rates. These disparate holding period requirements may give rise to conflicts of interest. The General Partner may have an incentive to take actions intended to maximize the amount of gains from assets held for more than three years, even though Limited Partners may not derive any additional U.S. federal income tax benefit from the longer holding period. For example, the General Partner may have an incentive to (i) refrain from making investments expected to generate gains within three years, (ii) refrain from selling or engaging in other transactions with respect to investments that would give rise to capital gain if the investment has not been held for more than three years or (iii) structure follow-on investments in a manner intended to maximize the amount of gain attributable to a Partnership's existing interests in such investments. Such actions could reduce the amount realized from a Partnership's investments and adversely affect the amount and timing of distributions to the Limited Partners.

### **Intangible and Other Benefits**

The Investment Manager and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Partnership that will not be subject to the management fee offset or otherwise shared with the Partnership, investors and/or investments. For example, airline travel or hotel stays incurred as fund or account expenses typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Investment Manager and/or such personnel (and not the Partnership, investors and/or investments) even though the cost of the underlying service is borne by the Partnership, investors and/or investments.

### **General Partner Counsel**

DLA Piper LLP (US) currently serves as U.S. counsel for the General Partner, the Partnership and the Investment Manager ("Counsel") in connection with the formation of the Partnership. Counsel renders legal services to the General Partner, the Partnership and the Investment Manager and does not represent the interests of any Limited Partner. Prospective investors should seek their own legal, tax and financial advice before making an investment in the Partnership. Counsel may be removed by the General Partner at any time without the consent of, or notice to, the Limited Partners. In addition, Counsel does not undertake to monitor the compliance of the Partnership, the General Partner, the Investment Manager or their respective affiliates with the investment program, investment strategies, investment restrictions and other guidelines and terms set forth in this Memorandum and the Partnership Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of any information set forth in this Memorandum.

### **Service Providers**

The Partnership's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in one or more Bridge entities and/or may be sources of investment opportunities or counterparties to any of the foregoing. This presents a conflict of interest, as it may influence Bridge in deciding whether to select such a service provider or have other relationships with such service provider. Advisors, consultants and other service providers to the Partnership, Bridge, their respective affiliates or their other clients may charge different rates for their services or may have different arrangements for specific types of services, which may be more beneficial to certain of such persons than others and/or may benefit Bridge, or may benefit other clients of Bridge, to a greater degree than the benefit accorded to the Partnership or its affiliates. Such benefits may include more favorable rates or arrangements than those payable by the Partnership or its affiliates. Each Limited Partner consents to any such differential rates or arrangements and authorizes Bridge to make all determinations regarding the same. Each Limited

Partner further waives any conflict of interest in connection with any of the foregoing. Any service providers may be removed by the General Partner at any time without the consent of, or notice to, the Limited Partners.

### **Use of Placement Agents**

The Partnership or the General Partner on behalf of the Partnership may engage placement agents in respect of the offering of Interests to certain prospective investors. Any such placement agent acts for the Partnership and/or the General Partner and not as an investment adviser to prospective investors in connection with the offering of Interests. Prospective investors must independently evaluate the offering and make their own investment decisions. In making those decisions, prospective investors should be aware that a placement agent would generally be paid a placement fee based upon the amount of Capital Commitments to the Partnership by Limited Partners that such placement agent introduces to the General Partner or the Partnership. Any placement agent fees and expenses will be borne by the Partnership, and the amount of all placement agent fees (but not expenses) so paid will be applied to reduce current or future payments of the Management Fee (but not below zero). In the event any placement agent is engaged in respect of the Partnership, prospective investors should also note that at various times such placement agent may act as placement agent for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with Bridge, and including fund sponsors and funds that may offer interests that are similar to the Interests. Such unaffiliated fund sponsors may pay placement fees on terms different from the fees placement agents may receive in respect of the Partnership, and such differences in fees may influence a placement agent's decision to introduce prospective investors to the Partnership. Furthermore, a placement agent may seek to do business with and earn fees or commissions in connection with Investments made by the Partnership or by other Bridge investment vehicles (e.g., in connection with financing or investment banking services, or lending or arranging credit, or otherwise). Accordingly, prospective investors should recognize that each placement agent's participation as a placement agent for the Interests may be influenced by its interest in such current or future fees and commissions. Prospective investors should also be aware that affiliates or employees of a placement agent could invest in the Partnership on their own behalf and/or on behalf of their clients. Each prospective investor should consider these issues in making its investment decision.

### **Public Company Parent, Affiliates, and Other Related Parties**

Actual, potential or apparent conflicts of interest may arise as a result of fiduciary and other obligations with respect to the stockholders of the Bridge Public Parent as well as the relationships between the Bridge Public Parent, its directors and employees, and its subsidiaries (collectively, the "Bridge Group") and Clients managed, sponsored, or advised by and/or for the benefit of certain members of the Bridge Group, on the one hand, and the Partnership and the Limited Partners, on the other. For example, certain executive directors of the Bridge Public Parent are also Investment Committee Members. In addition, the Bridge Group is a global investment management firm and, as such, the Bridge Group, partners, members, managing directors, directors, officers or employees of Bridge or its affiliates, certain third-party consultants who provide, among other things, additional operational and strategic insights into Bridge's investments, and individuals who were formerly employees of Bridge and are engaged as consultants for Bridge may have multiple advisory, transactional, operational, financial and other interests that conflict with those of the Partnership and the Limited Partners. The Bridge Group and such other entities and individuals could in the future engage in additional conflicts of interest not addressed in this Section IX — "Risk Factors and Conflicts of Interest." While the Bridge Group has established procedures and policies for addressing conflicts, any such conflicts could have an adverse effect on the Partnership and the Limited Partners.

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**X. CERTAIN REGULATORY, TAX, ERISA AND RELATED CONSIDERATIONS**

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**FEDERAL SECURITIES LAWS****Securities Act of 1933**

The Interests are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws, including state securities or blue sky laws and the General Partner does not intend to register the Interests under such laws. The Interests are offered in reliance upon the exemption from registration thereunder provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder. Each prospective investor is required to represent, among other customary private placement representations, that it is an accredited investor, as defined in Regulation D and is acquiring the Interests for investment purposes only and not for resale or distribution.

**Securities Exchange Act of 1934**

It is not expected that the Partnership will be required to register the Interests under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). As a result, the Partnership would not be subject to the periodic reporting and related requirements of the Exchange Act. Limited Partners should only expect to receive the information and reports required to be delivered pursuant to the Partnership Agreement and applicable law.

**Investment Company Act of 1940**

The Partnership is not, and its related Parallel Vehicles are not expected to be, subject to the provisions of the U.S. Investment Company Act of 1940, as amended (the “1940 Act”) in reliance upon an exemption from registration. Accordingly, investors will not have the benefits or protections afforded by registration under the 1940 Act. The Partnership will obtain and may rely on appropriate representations and undertakings from each Limited Partner in order to assure that the Partnership meets the conditions of an exemption on an ongoing basis.

**Investment Advisers Act of 1940**

The Investment Manager has registered as an investment adviser under the Advisers Act.

**Commodity Exchange Act**

The Commodity Exchange Act, as amended (“CEA”), and the regulations promulgated by the U.S. Commodity Futures Trading Commission (the “CFTC”) thereunder (“CFTC Rules”) require operators of and advisors to certain investment vehicles engaging in futures, options and/or swap transactions (collectively, “Commodity Interests”) to register as commodity pool operators (“CPOs”) or commodity trading advisors (“CTAs”), respectively. The Partnership may trade Commodity Interests, and may therefore be viewed as a commodity pool under the CEA and related CFTC Rules. As of the date of this Memorandum, none of the General Partner, the Investment Manager or any of their affiliates are registered as a CPO or CTA.

However, the General Partner expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a CPO with respect to the Partnership available pursuant to CFTC Rule 4.13(a)(3) and the Investment Manager expects to qualify for, and intends to rely upon, an exemption from registration with the CFTC as a CTA with respect to the Partnership available pursuant to CFTC Rule 4.14(a)(8)(i)(D).

In order to qualify for the exemption from CPO registration available pursuant to CFTC Rule 4.13(a)(3): (i) the Interests must be exempt from registration under the Securities Act and must be marketed and advertised to the public in the United States solely, if at all, in compliance with Rule 144A or Rule 506 under the Securities Act; (ii) at all times with respect to the Partnership’s Commodity Interest positions, either: (A) aggregate initial margin, premiums and required minimum security deposit for retail foreign exchange transactions required to establish such positions, determined at the time the most recent position was established, may not exceed 5% of the liquidation value of the

Partnership's portfolio, after taking into account unrealized profits and unrealized losses on any such positions; or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of the Partnership's portfolio, after taking into account unrealized profits and unrealized losses on any such positions; (iii) the General Partner must reasonably believe, at the time of the investment, that each participant in the Partnership is either: (A) an "accredited investor," as that term is defined in Regulation D under the Securities Act; (B) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member; (C) a "knowledgeable employee," as defined in Rule 3c-5 under the Investment Company Act; or (D) a "qualified eligible person," as that term is defined in CFTC Regulation 4.7; and (iv) the interests must not be marketed as or in a vehicle for trading in the commodity futures, commodity options or swaps markets. In addition, CFTC Rule 4.13(a)(3) requires that the General Partner file a notice of its reliance on such exemption with the NFA, which exemption must be renewed annually. In doing so, and in order to rely upon the exemption from registration with the CFTC as a CPO pursuant to CFTC Regulation 4.13(a)(3), the General Partner as CPO must be able to represent that neither the CPO nor any of its principals has in its background a statutory disqualification that would require disclosure under section 8a(2) of the CEA if such person sought registration, unless such disqualification arises from a matter which was disclosed in connection with a previous application for registration, where such registration was granted.

Further, CFTC Rule 4.14(a)(8)(i)(D), exempts a person from the requirement to register as a CTA if: (i) the person is registered as an investment adviser under the Advisers Act or with the applicable securities regulatory agency of any State, or is exempt from such registration; (ii) the person's Commodity Interest trading advice is directed solely to a CPO that has claimed an exemption from registration under CFTC Rule 4.13(a)(3); (iii) the person provides Commodity Interest trading advice solely incidental to the person's business of providing securities or other investment advice to qualifying entities, collective investment vehicles and commodity pools; and (iv) the person is not otherwise holding itself out as a CTA. In addition, CFTC Rule 4.14(a)(8)(i)(D) requires that the Investment Manager file a notice of its reliance on such exemption with the NFA, which exemption must be renewed annually.

Therefore, unlike registered CPOs and CTAs, the General Partner and the Investment Manager will not be required to deliver a disclosure document (as defined in Part 4 of the CFTC Rules) or a certified annual report to investors in the Partnership. However, the General Partner will deliver this Memorandum as well as the periodic reports and annual financial statements described herein to all such investors. Neither the CFTC nor the NFA pass upon the merits of participating in a commodity pool or upon the adequacy or accuracy of an offering memorandum. Consequently, neither the CFTC nor the NFA has reviewed or approved this Memorandum or any disclosure document for the Partnership, and this Memorandum is not required to be, and has not been, filed with the CFTC or the NFA.

The CFTC Rules with respect to CPOs and CTAs are subject to revision by the CFTC, and any change therein or changes to the investment strategy of the Partnership may affect the regulatory status of the Partnership, or cause the General Partner, the Investment Manager, or any of their affiliates to modify or terminate the use of derivatives (if any) in connection with the Partnership's investment program. Furthermore, the General Partner, the Investment Manager or an affiliate thereof may hereafter determine to register as a CPO or CTA, as applicable, or place reliance on an alternative exemption from registration as such and, in such event, the General Partner, the Investment Manager, or the affiliate would operate or would advise the Partnership, as applicable, in a manner designed to comply with applicable CEA requirements, which requirements may impose additional obligations on the Partnership or investors therein. Further, the General Partner, the Investment Manager, the Partnership or their respective affiliates, as applicable, may choose to terminate hedging in the derivatives markets and, as a result, withdraw any related CPO and/or CTA exemptions as permitted under applicable CEA requirements.

## **Volcker Rule**

Certain investors in the Partnership may be subject to the to Section 13 of the BHC Act, together with the rules, regulations and published guidance proposed or promulgated thereunder, as amended (the "Volcker Rule"). The Volcker Rule generally prohibits certain "banking entities" from, among other things, acquiring or retaining an "ownership interest" in, sponsoring or having certain relationships with "covered funds," unless pursuant to an exclusion from the definition of "covered fund" or exemption under the Volcker Rule. "Covered fund" is defined under

the Volcker Rule to include, among other things, any entity that would be an investment company under the 1940 Act but for reliance on Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. While the Partnership may rely on an exemption under Section 3(c)(5) of the Investment Company Act, there is no assurance that the Partnership will qualify for an exemption under Section 3(c)(5) of the 1940 Act. The Partnership may instead rely on an exemption provided for under either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. In such case, the Partnership would likely be considered a “covered fund” for purposes of the Volcker Rule, unless the Partnership is subject to an exclusion from the definition of “covered fund”. The following would be considered a “banking entity” subject to the Volcker Rule: (i) any U.S. insured depository institution (as defined in section 3 of the U.S. Federal Deposit Insurance Act (12 U.S.C. § 1813)), subject to certain exclusions; (ii) any company that controls an U.S. insured depository institution; (iii) any non-U.S. company that is treated as a bank holding company for purposes of Section 8 of the International Banking Act of 1978 (i.e., a non-U.S. company that maintains a branch, agency or commercial lending office in the United States); and (iv) any affiliate or subsidiary of any of the foregoing under the BHC Act, other than a covered fund that is not itself a banking entity under clauses (i), (ii) or (iii).

The Volcker Rule contains a number of limited exemptions from the prohibition against acquiring or retaining an “ownership interest” in, sponsoring or having certain relationships with “covered funds” that are subject to specific conditions and requirements. A “banking entity” subject to the Volcker Rule is responsible for having a compliance program with written policies and procedures, setting forth under what circumstances such “banking entity” would be permitted to engage in covered fund-related activities or investments.

“Ownership interest” is broadly defined under the Volcker Rule to include any equity, partnership or other similar interest. Because the Interests would appear to be considered “ownership interests”, as defined under the Volcker Rule, there could be limitations on the ability of “banking entities” to purchase or retain any such Interests in the absence of an applicable Volcker Rule exemption. Further, the Volcker Rule also would prohibit a “banking entity” from engaging in proprietary trading in any such Interests unless pursuant to an exclusion or exemption under the Volcker Rule. Consequently, although the Volcker Rule provides limited exclusions and exemptions from both the covered fund-related restrictions and the proprietary trading restrictions, depending on market conditions and the “banking entity” status of potential purchasers of the Interests from time to time, the Volcker Rule restrictions could negatively affect the liquidity and market value of any such Interests.

Each purchaser of the Interests must make its own determination as to whether it is a “banking entity” subject to the Volcker Rule and should consult its own counsel as to the potential impact of the Volcker Rule on its ability to purchase or retain any such Interests before making an investment decision. Investors in the Interests are responsible for analyzing their own regulatory position and neither the Partnership nor any of its affiliates makes any representation to any prospective investor or purchaser of such Interests regarding the treatment of the Partnership under the Volcker Rule, or to such investor’s investment in any such Interests on the date of investment or at any time in the future.

### **Investor Eligibility**

The Subscription Documents and the Partnership Agreement contain representations and restrictions on transfer designed to assure that investors are qualified to invest in the Partnership. The Interests are being offered exclusively to investors that are “accredited investors” for purposes of Regulation D promulgated by the SEC under the Securities Act and “qualified purchasers” for purposes of the 1940 Act. A “qualified purchaser” generally includes a natural person who owns not less than \$5 million in investments or a company acting for its own account or the accounts of other qualified purchasers that owns and invests on a discretionary basis not less than \$25 million in investments and certain trusts.

### **Anti-Money Laundering and Sanctions**

In order to comply with applicable anti-money laundering and know your customer requirements and policies, each investor must represent in its Subscription Agreement that neither the investor, nor any person having a direct or indirect beneficial interest in the Interest being acquired by the investor, appears on the Specially Designated



Nationals and Blocked Persons List of the Office of Foreign Assets Control in the U.S. Department of the Treasury or in Annex I to U.S. Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, and that the investor does not know or have any reason to suspect that (a) the monies used to fund the investor’s investment in the Partnership have been or will be derived from or related to any activities prohibited under applicable trade and economic sanctions, anti-terrorism or anti-money laundering laws or regulations (“Prohibited Activities”) and (b) the proceeds from the investor’s investment in the Partnership will be used to finance any Prohibited Activities. Each investor must also agree to provide any information to the Partnership and its agents as the Partnership may require in order to determine the investor’s and any of its beneficial owners’ source and use of funds and to comply with any anti-money laundering laws and regulations applicable to the Partnership.

### **Certain ERISA and Related Considerations**

The following is a summary of certain considerations associated with an investment in the Partnership by (a) employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (b) plans, individual retirement accounts (“IRAs”) and other arrangements that are subject to Section 4975 of the Code; (c) entities whose underlying assets are considered to include “plan assets” of such employee benefit plans, plans, accounts and arrangements; and (d) plans and other arrangements subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), and entities whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement subject to Similar Law (each of the foregoing in subclauses (a) through (d), a “Plan”).

Future legislative and administrative changes, as well as future court decisions, may have a material impact on the issues addressed in this summary. The fiduciaries of prospective Plan investors should consult with their own legal counsel in regard to the application of ERISA, the Code and Similar Laws to an investment in the Partnership.

Each prospective Plan investor should consider the fact that none of the General Partner, the Investment Manager or any of their respective associates or employees will act as a fiduciary to any Plan investor with respect to the decision to invest such Plan investor’s assets in the Partnership, or with respect to the operation and management of the Partnership. Neither the General Partner nor the Investment Manager are undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to a prospective Plan investor’s decision to invest in the Partnership. Future legislative and administrative changes, as well as future court decisions, may have a material impact on the issues addressed in this summary. The fiduciaries of prospective Plan investors should consult with their own legal counsel in regard to the application of ERISA, the Code and Similar Laws to an investment in the Partnership.

### **General Fiduciary Matters**

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA (an “ERISA Plan”). Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code and its fiduciaries or other interested parties. Any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Partnership of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Partnership, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, absent an exemption, the fiduciaries of a Plan should not invest in the

Partnership with the assets of any Plan if the General Partner or any of its affiliates is a fiduciary with respect to such assets of the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans and plans and arrangements subject to Section 4975 of the Code from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Interests by an ERISA Plan with respect to which the Partnership is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the “DOL”) has issued prohibited transaction class exemptions, or “PTCEs,” that may apply to the acquisition and holding of investments in the Partnership. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers.

### Plan Assets

Under ERISA and one of the regulations promulgated thereunder (the “Plan Assets Regulation”), when an ERISA Plan or plan or arrangement subject to Section 4975 of the Code acquires an equity interest in an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the 1940 Act, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interests in the entity is held by “benefit plan investors” as defined in Section 3(42) of ERISA or that the entity is an “operating company,” as defined in the Plan Assets Regulation. For purposes of such test, the assets of an entity will not be treated as “plan assets” if, immediately after the most recent acquisition or disposition of any equity interests in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “benefit plan investors,” excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term “benefit plan investors” means any employee benefit plans subject to Title I of ERISA (e.g., private U.S. Pension Plans), any plan or arrangement to which the prohibited transaction provisions of Section 4975 of the Code apply (including “Keogh” plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan’s investment in such entity (e.g., an entity of which 25% or more of the total value of any class of equity interests is held by benefit plan investors and which does not satisfy another exception under ERISA). Thus, absent satisfaction of another exception under ERISA, if 25% or more of the total value of any class of equity interests of the Partnership were held by benefit plan investors, an undivided interest in each of the underlying assets of the Partnership would be deemed to be “plan assets” of any ERISA Plan that invested in the Partnership (the “Less-than 25% Exception”). In addition to the Less-than-25% Exception, the Plan Assets Regulation contains an exception for “operating companies.” The General Partner does not expect the Partnership to be able to avail itself of this exception.

The definition of an “operating company” in the Plan Asset Regulations includes a venture capital operating company (“VCOC”) and a real estate operating company (“REOC”). Generally, in order to qualify as a VCOC, an entity must demonstrate on its “initial valuation date” (as defined in the Plan Asset Regulations), and annually thereafter, that at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in operating companies (other than VCOCs) (i.e., operating entities that (x) are primarily engaged directly, or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, or (y) qualify as a REOC in which, in either case, such entity has direct contractual management rights). In addition, to qualify as a VCOC, an entity must, in the ordinary course of its business, actually exercise such management rights with respect to at least one of the operating companies in which it invests. Similarly, in order to qualify as a REOC an entity must demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets valued at cost (other than short term investments pending long-term commitment or distribution to investors) are invested in real estate which is managed or developed and with

respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must in the ordinary course of its business actually be engaged directly in such real estate management or development activities. The Plan Asset Regulations do not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

### **Plan Asset Consequences**

If the assets of the Partnership were deemed to be “plan assets” under ERISA, this would result, among other things, in (a) the application of the prudence and other fiduciary responsibility standards of ERISA to Investments made by the Partnership and (b) the possibility that certain transactions in which the Partnership might seek to engage could constitute “prohibited transactions” under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the General Partner and/or any other fiduciary that has engaged in the prohibited transaction could be required to (a) restore to the ERISA Plan any profit realized on the transaction and (b) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the Investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. ERISA Plan fiduciaries who decide to invest in the Partnership could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Partnership or as co-fiduciaries for actions taken by or on behalf of the Partnership or the General Partner. With respect to an IRA that invests in the Partnership, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

The General Partner, in its sole discretion, may use reasonable efforts to (i) limit equity participation by benefit plan investors in the Partnership to less than 25% of the total value of each class of equity interests in the Partnership as described above, and/or (ii) operate the Partnership in such a manner so as to qualify the Partnership as a VCOC or REOC so that the underlying assets of the Partnership should not constitute “plan assets” of any ERISA Plan which invests in the Partnership. However, there can be no assurance that, notwithstanding the reasonable efforts of the General Partner, the Partnership will qualify as a VCOC or REOC, the structure of the particular investments of the Partnership will satisfy the Plan Asset Regulations, or the underlying assets of the Partnership will not otherwise be deemed to include ERISA plan assets.

Under the Partnership Agreement, the General Partner will have the power to take certain actions to avoid having the assets of the Partnership characterized as “plan assets,” including, without limitation, the right to cause a Limited Partner that is a benefit plan investor to withdraw from the Partnership. While the General Partner and the Partnership do not expect that the General Partner will need to exercise such power, neither the General Partner nor the Partnership can give any assurance that such power will not be exercised.

Under certain circumstances certain investors may invest in the Partnership or one or more Alternative Investment Vehicles through an entity or entities established by the General Partner or an affiliate thereof (each, a “Feeder Vehicle”). The discussion above under “General Fiduciary Matters,” “Plan Assets” and “Plan Asset Consequences” will be similarly applicable to any investment in the Partnership or Alternative Investment Vehicle either directly or indirectly through a Feeder Vehicle. While the General Partner will use its reasonable efforts, as described above, to provide that the underlying assets of the Partnership and each Alternative Investment Vehicle should not constitute “plan assets” under ERISA, a Feeder Vehicle is not expected to qualify as an “operating company” for purposes of the Plan Assets Regulation and it is possible that a Feeder Vehicle may not satisfy the Less-than 25% Exception, in which case the assets of such Feeder Vehicle, or a portion thereof, will likely constitute “plan assets” for purposes of ERISA and Section 4975 of the Code. However, the general partner (or similar managing entity) of the Feeder Vehicle is not intended to act as a fiduciary with respect to any Plan that invests in a Feeder Vehicle. In this

regard, the General Partner intends to structure each such Feeder Vehicle as an intermediate entity for purposes of an investment in the Partnership or an Alternative Investment Vehicle, as applicable.

Consequently, when investing in the Partnership or an Alternative Investment Vehicle through such a Feeder Vehicle, (a) each Limited Partner will, by making a capital contribution to the Feeder Vehicle, direct the General Partner to invest the amount of such capital contribution solely in the Partnership, and (b) each benefit plan investor will be required to acknowledge and agree (a) that the assets of the Feeder Vehicle may constitute Plan Assets (b) that the Feeder Vehicle is therefore intended to be structured as a conduit vehicle with respect to which none of the General Partner, the Investment Manager nor any of their respective associates is intended to have any discretionary authority or control, and that the benefit plan investor will not take any position to the contrary, and (c) that such capital contribution, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, a violation of any applicable Similar Law or a fiduciary breach. Notwithstanding the foregoing, there can be no assurance that the fiduciary and prohibited transaction provisions of ERISA, Section 4975 of the Code or applicable Similar Law will not be applicable to activities of the Feeder Vehicle. During any period when the underlying assets of a Feeder Vehicle are deemed to constitute “plan assets” of any ERISA Plan under ERISA, the general partner (or similar managing entity) of the Feeder Vehicle will, or will cause an affiliate of the general partner (or managing entity) to, hold the counterpart of the signature page of the Feeder Vehicle’s partnership agreement (or similar governing document) in the United States.

### **Plans’ Reporting Obligations**

The descriptions contained in this Memorandum of fees and compensation, including the Management Fee and the Carried Interest, are intended to satisfy the disclosure requirements for “eligible indirect compensation” for which the alternative reporting option on Schedule C of Form 5500 Annual Return/Report may be available.

The foregoing discussion is general in nature and is not intended to be all-inclusive. As indicated above, Similar Laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws and regulations on an investment in the Partnership and the considerations discussed above, if applicable.

The fiduciaries of each Plan proposing to invest in the Partnership represent that they have made the decision to invest in the Partnership, they have been informed of and understand the Partnership’s investment objectives, policies and strategies and that the decision to invest in the Partnership is consistent with the relevant provisions of ERISA and/or the Code or Similar Law. By its investment, each Limited Partner will be deemed to represent that either: (a) no portion of the assets used by the purchaser to acquire and hold Interests constitute assets of any Plan, or (b) if the purchaser is a Plan, (i) the purchase and holding of Interests will not constitute a nonexempt prohibited transaction under § 406 of ERISA or § 4975 of the Code or a violation under any applicable Similar Law, and (ii) the purchaser has made its own discretionary decision to acquire and hold the Interests.

EACH PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR AS TO THE PROPRIETY OF AN INVESTMENT IN INTERESTS IN LIGHT OF THE CIRCUMSTANCES APPLICABLE TO THAT PLAN BEFORE MAKING AN INVESTMENT IN THE PARTNERSHIP. ACCEPTANCE OF INVESTMENTS IS IN NO RESPECT A REPRESENTATION THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT THE INVESTMENT IS APPROPRIATE FOR SUCH PLAN.

BY ACQUIRING THE INTERESTS, EACH PLAN INVESTOR WILL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT: (A) NONE OF INFORMATION PROVIDED BY THE PARTNERSHIP, THE GENERAL PARTNER, THE INVESTMENT MANAGER OR ANY OF THEIR RESPECTIVE AFFILIATES (INCLUDING INFORMATION SET FORTH IN THIS MEMORANDUM) IS A RECOMMENDATION TO INVEST IN THE PARTNERSHIP; (B) NONE OF THE PARTNERSHIP, THE GENERAL PARTNER, THE INVESTMENT MANAGER OR ANY OF THEIR RESPECTIVE AFFILIATES IS UNDERTAKING TO PROVIDE ANY INVESTMENT ADVICE TO THE PLAN INVESTOR (IMPARTIAL OR OTHERWISE) OR TO GIVE ADVICE TO THE PLAN

INVESTOR IN A FIDUCIARY CAPACITY IN CONNECTION WITH AN INVESTMENT IN THE PARTNERSHIP; (C) NO PART OF ANY COMPENSATION RECEIVED BY THE GENERAL PARTNER, THE INVESTMENT MANAGER OR ANY OF THEIR RESPECTIVE AFFILIATES IS FOR THE PROVISION OF INVESTMENT ADVICE TO THE PLAN INVESTOR; AND (D) NONE OF THE GENERAL PARTNER, THE INVESTMENT MANAGER AND THEIR RESPECTIVE AFFILIATES HAVE A FINANCIAL INTEREST IN THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THE PARTNERSHIP ON ACCOUNT OF THE FEES AND OTHER COMPENSATION IT EXPECTS TO RECEIVE FROM THE PARTNERSHIP AS DISCLOSED IN THIS MEMORANDUM AND THE OTHER DOCUMENTS GOVERNING THE PARTNERSHIP (IF ANY).

### **Compliance with the AIFMD and the UK AIFMR**

The AIFMD regulates AIFMs undertaking fund management activities or marketing fund interests to investors within the EEA. The AIFMD regulates, and imposes regulatory obligations in respect of, the marketing in the EEA by AIFMs (whether established in the EEA or elsewhere) of AIFs (whether established in the EEA or elsewhere). The AIFMD also imposes ongoing regulatory obligations on such AIFMs that market AIFs to professional investors who are domiciled or have a registered office within the EEA. These requirements include, among other things, rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on use of leverage, restrictions on early distributions ("asset stripping" rules), the appointment of a depositary, disclosure and reporting requirements to both investors and home state regulators, and independent valuation of the assets of an AIF.

The General Partner does not currently intend to market the Interests in the EEA and, as a result, should not fall within the scope of the AIFMD. In the event the General Partner markets the Interests in the EEA in circumstances where EEA Investors have not contacted the General Partner (or its affiliates or agents) at the investor's own initiative, the General Partner, the Investment Manager and the Partnership could become subject to significant regulatory burdens.

The General Partner does not currently intend to market the Partnership in the UK and, as a result, does not intend to become subject to the UK AIFMR. The UK AIFMR currently imposes compliance obligations that are broadly similar to those detailed in the first paragraph above in connection with a non-EEA AIFM marketing a non-EEA AIF pursuant to the national private placement regimes of certain EEA member states. If within scope of the UK AIFMR, these compliance obligations on an AIFM include, among other things, rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on use of leverage, restrictions on early distributions ("asset stripping" rules), the appointment of a depositary, disclosure and reporting requirements to both investors and home state regulators, and independent valuation of the assets of an AIF.

### **U.S. FEDERAL INCOME TAXATION**

The following is a general discussion of certain U.S. federal income tax considerations relating to an investment in the Partnership. This discussion is based on provisions of the Code, the regulations promulgated thereunder ("Treasury Regulations"), published rulings and pronouncements of the IRS and judicial decisions all in effect on the date of this Memorandum. These authorities may be changed, perhaps with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. No rulings have been or will be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a different position concerning the tax consequences of an investment in the Partnership or that any such position would not be sustained by a court.

This discussion is necessarily general, and is not intended to be applicable to all categories of investors, some of which, such as banks, insurance companies, dealers and other investors that do not own their Interests as capital assets, may be subject to special rules. Except to the extent set forth below under the headings "—Certain U.S. Tax Considerations for U.S. Tax-Exempt Limited Partners," and "—Certain U.S. Tax Considerations for Non-U.S. Limited Partners," this summary does not address the tax consequences that may be relevant to tax-exempt organizations and Non-U.S. Persons (as defined below). This discussion does not address all potential U.S. federal income tax consequences that may apply to a particular investor and does not address any state, local or non-U.S. tax considerations or any other U.S. federal tax laws, such as the 3.8% tax on net investment income or the estate and

gift tax laws. The actual tax and financial consequences of the ownership or sale of Interests will vary depending upon the investor's circumstances. This discussion does not constitute tax advice, and is not intended to substitute for an investor's own tax planning or the advice an investor should obtain from the investor's tax advisor.

For purposes of this discussion, a "U.S. Person" is: (i) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes; (ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (a) that is subject to the supervision of a court within the United States and the control of one or more United States persons (as defined in Section 7701(a)(30) of the Code) or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. A "U.S. Limited Partner" is a Limited Partner that is a U.S. Person. A "Non-U.S. Person" is a person that is an individual, corporation, estate or trust for U.S. federal income tax purposes and is not a U.S. Person, and a "Non-U.S. Limited Partner" is a Limited Partner that is a Non-U.S. Person.

If an Interest is held by an entity or arrangement treated as a partnership for U.S. federal income tax purposes, the tax treatment of such entity or arrangement and the owners thereof generally will depend on the activities of such entity or arrangement and the status of such owners and as such, the discussion set forth below does not apply to such entities, arrangements or the owners thereof. Prospective investors that are treated as partnerships for U.S. federal income tax purposes and their owners should consult their tax advisors regarding the tax consequences of an investment in the Partnership.

**Prospective investors should consult their tax advisors concerning the U.S. federal, state and local income tax consequences of the purchase, ownership and disposition of an Interest in light of their particular circumstances, as well as any consequences under the laws of any other taxing jurisdiction.**

#### **Classification as a Partnership for U.S. Federal Income Tax Purposes**

Subject to the discussion of publicly traded partnerships below, a domestic entity (such as the Partnership) will generally be classified as a partnership for U.S. federal income tax purposes if it has two or more members and is not organized as a corporation under U.S. federal or state law, unless the entity elects to be treated as a corporation. The Partnership will not make an election to be treated as a corporation for U.S. federal income tax purposes. An entity such as the Partnership that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and fails to meet an annual qualifying income test. The General Partner intends to operate the Partnership so that it will not be treated as a corporation under the publicly traded partnership provisions. In this regard, the Partnership intends to obtain and rely on appropriate representations and undertakings from each Limited Partner, including to the extent applicable each Limited Partner who transfers an Interest in the Partnership. If the Partnership were determined to be a corporation for U.S. federal income tax purposes, it would be taxed on its earnings at the corporate tax rate and any distributions to the Limited Partners would be taxable as dividends to the Limited Partners to the extent of the earnings and profits of the Partnership.

An organization that is classified as a partnership for U.S. federal income tax purposes is generally not subject to U.S. federal income tax itself, although it generally must file an annual information return. The classification of an entity as a partnership for such purposes may not be respected for certain state, local or non-U.S. tax purposes. The General Partner intends to treat the Partnership as a partnership for U.S. federal income tax purposes, and the remainder of this discussion assumes that the Partnership will be treated as a partnership for U.S. federal income tax purposes.

***Tax Indemnity and Withholding.*** Each Limited Partner will be required to indemnify the Partnership for any tax obligations imposed on the Partnership with respect to such Limited Partner's investment in the Partnership, including as a result of the partnership audit rules described below under "**Possible IRS Challenges; Tax Audits.**" In addition, the Partnership will withhold and pay over any withholding taxes required to be withheld with respect to any Partner.

The Partnership may reserve certain amounts otherwise distributable to Limited Partners in light of such potential obligations. The amount of any taxes paid by or withheld from receipts of the Partnership (or the amount of any taxes paid or withheld from receipts of an entity in which the Partnership directly or indirectly invests) that are allocable to a Limited Partner under the Partnership Agreement generally will be deemed to have been distributed to such Limited Partner to the extent that the taxes reduce the amount otherwise distributable to such Limited Partner, including a Limited Partner's share of any taxes, interest and penalties imposed on the Partnership as a result of the partnership audit rules described below under "—Possible IRS Challenges; Tax Audits." To the extent the amount of the taxes required to be withheld or paid with respect to a Limited Partner exceeds the amount of cash that is available to be distributed to such Limited Partner, such Limited Partner may be required under the Partnership Agreement to promptly contribute such amount to the Partnership and any amount so contributed will not decrease a Limited Partner's unpaid Capital Commitment to the Partnership.

**Possible IRS Challenges; Tax Audits.** Prospective investors should be aware that the IRS may challenge the Partnership's treatment of items of income, gain, loss, deduction and credit, or its characterization of the Partnership's transactions, and that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges. The General Partner will decide how to report the partnership items on the Partnership's tax returns. In the event the income tax returns of the Partnership are audited by the IRS, the tax treatment of the Partnership's income and deductions generally is determined at the partnership level in a single proceeding rather than by individual audits of the partners.

The Partnership is required to designate a representative who will have the sole authority to act for the Partnership in connection with a U.S. federal income tax audit of the Partnership. Subject to certain exceptions not expected to be applicable to the Partnership, if the Partnership is audited and as a result of such audit the IRS successfully challenges the Partnership's treatment of items of income, gain, loss, deduction or credit, including the allocation of such items among the Limited Partners, or its characterization of the Partnership's transactions, any resulting increase in taxes, interest or penalties will be paid by the Partnership in the year in which the tax audit is finally resolved (as opposed to adjusting the income of the persons who were Limited Partners in the Partnership in the year being audited). Thus, tax liabilities relating to earlier years can result in taxes being indirectly imposed on Limited Partners in later years, including Limited Partners who acquired their Interests after the taxable year to which the adjustment relates and it is anticipated that transferees will be required to be liable for such amounts as a condition to becoming Limited Partners. Tax liabilities imposed on the Partnership under these partnership audit procedures may be greater than the tax liabilities that would have been imposed directly on a Limited Partner pursuant to a partner-level audit, because the determination of the Partnership-level tax liability does not fully take into account a Limited Partner's particular circumstances.

If the Partnership is audited by the IRS, the Partnership may, but is not required to, make an election under Section 6226 of the Code to cause such adjustments to be imposed on those persons who were partners during the taxable year to which the audit relates (rather than the partners in the year the audit is resolved), instead of on the Partnership. Under this alternative procedure, the adjustments in taxable items would be made by such Partners on their federal income tax returns for the year the audit is resolved, and those Partners would also be liable for applicable penalties and for interest at an increased rate. Each Partner in the Partnership will be required to take any actions required under the Code and applicable Treasury Regulations if the Partnership makes such an election. The Partnership is not obligated to make the election permitted by Section 6226 of the Code.

In addition to applying to the Partnership, these partnership audit provisions will apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Partnership has an investment. The application of these partnership audit provisions is unclear in certain respects, and the Partnership or the Limited Partners could be adversely affected by these provisions.

**Treatment of REIT Subsidiaries.** The Partnership may form one or more REIT Subsidiaries, and make all or a portion of its investments through a REIT Subsidiary. The Partnership believes each such REIT Subsidiary will be organized and will operate in a manner that will allow it to qualify as a REIT under the Code. If a REIT Subsidiary fails to qualify as a REIT or loses its qualification as a REIT at any time, it will face materially adverse tax consequences that would

substantially reduce the funds available for distribution to the Partnership, which would reduce the funds available for distribution by the Partnership to the Limited Partners, for each of the years involved. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within the Partnership's control may affect a REIT Subsidiary's ability to qualify as a REIT. See – "Tax Consequences Relating to a Real Estate Investment Trust," below.

## **U.S. Taxation of U.S. Limited Partners in the Partnership**

**General.** Each U.S. Limited Partner in the Partnership will be required to report on its U.S. federal income tax return, and will be taxed upon, its share of each item of the Partnership's income, gain, loss, deduction and credit for each taxable year of the Partnership ending with or within the U.S. Limited Partner's taxable year. See – "Allocations of Income, Gain, Loss and Deduction" below. Each item generally will have the same character and source (either U.S. or foreign), as though the U.S. Limited Partner realized the item directly. U.S. Limited Partners in the Partnership must report these items regardless of the extent to which, or whether, they receive cash distributions from the Partnership for such taxable year.

Certain investments of the Partnership – for example, original issue discount obligations, preferred stock with redemption or repayment premiums, stock of CFCs or PFICs (as defined below), equity in other entities treated as transparent for U.S. tax purposes and certain financial instruments, including positions acquired in connection with hedging transactions – could cause the Partnership, and consequently the U.S. Limited Partners in the Partnership, to recognize taxable income without receiving any cash. In addition, the Partnership could incur cancellation of indebtedness income if indebtedness incurred by the Partnership (or by any fiscally transparent entity in which the Partnership invests) is restructured or forgiven. Moreover, there can be no assurance that any cash or other proceeds that the Partnership receives in connection with income earned by the Partnership will be distributed to the Limited Partners on a current basis. Thus, taxable income allocated to a U.S. Limited Partner in the Partnership in respect of any taxable period may exceed cash distributions, if any, made to such Limited Partner. In such a case, a U.S. Limited Partner in the Partnership would have to satisfy tax liabilities arising from an investment in the Partnership from such Limited Partner's own funds.

A significant portion of any income recognized by a U.S. Limited Partner with respect to its investment in the Partnership will be ordinary income or income that is not otherwise eligible for the reduced tax rates that can apply to long-term capital gain or "unrecaptured Section 1250 gain" recognized by non-corporate U.S. Limited Partners. It is also possible that a significant portion of the income generated by the Partnership may either be ineligible for the deduction for "qualified business income" or that non-corporate Limited Partners will be subject to limitations in the Code, which would have the effect of preventing non-corporate U.S. Limited Partners from benefitting from the lower effective tax rates applicable to business income from certain partnerships that are eligible for such deduction.

The Partnership may not be able to furnish the Partners' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such event, each U.S. Limited Partner in the Partnership would generally have to file requests for extension of the time for filing the Partner's U.S. tax returns.

**Partnership Distributions.** Cash distributions from the Partnership to U.S. Limited Partners in the Partnership are generally not taxable. Instead, a U.S. Limited Partner's adjusted basis in its Interest in the Partnership will generally be reduced by the amount of such cash distribution. However, to the extent cash distributions (including, in some circumstances, distributions of certain "marketable securities" treated as cash distributions) exceed the adjusted basis of a U.S. Limited Partner's Interest, the U.S. Limited Partner will recognize gain. Distributions (other than liquidating distributions) of property other than cash (or "marketable securities") will reduce the adjusted basis (but not below zero) of a U.S. Limited Partner's Interest by the amount of the Partnership's adjusted basis in such property immediately before its distribution. For purposes of the above-described rules, decreases in a U.S. Limited Partner's share of liabilities of the Partnership (directly or through lower-tier partnerships or entities treated as partnerships for U.S. federal income tax purposes) are treated as cash distributions.



**Basis.** A U.S. Limited Partner's adjusted basis in its Interest in the Partnership is, in general, equal to the amount of cash the U.S. Limited Partner has contributed to the Partnership, increased by the U.S. Limited Partner's share of income and liabilities of the Partnership, and decreased by the U.S. Limited Partner's proportionate share of cash distributions, losses and reductions in such liabilities.

**Allocations of Income, Gain, Loss and Deduction.** Pursuant to the Partnership Agreement, items of the Partnership's taxable income, gain, loss and deduction are allocated so as to take into account the varying interests of the Partners over the Term. Treasury Regulations provide that allocations of items of partnership income, gain, loss and deduction will be respected for tax purposes if such allocations have "substantial economic effect," or are determined to be in accordance with the partners' interests in a partnership. It is possible that the IRS could challenge the Partnership's allocations as not being in accordance with the partners' interests in the Partnership. Any resulting reallocation of tax items may have adverse tax and financial consequences to a Limited Partner, including a Limited Partner who was not an investor in the Partnership for the tax year reviewed as a result of the partnership audit rules described above under "—Possible IRS Challenges; Tax Audits."

**Limits on Deductions for Losses and Expenses.** The Partnership's losses and expenses could exceed the Partnership's income and gain in a given year. In general, a U.S. Limited Partner will not be entitled to deduct its allocable share of the Partnership's net losses to the extent such losses exceed its tax basis in its Interest at the end of the tax year in which such losses are recognized. In addition, the Partnership losses and various Partnership expenses allocable to certain U.S. Limited Partners may be subject to a number of limitations on deductibility. For example, U.S. Limited Partners may be subject to limitations relating to "passive losses," amounts "at risk," "investment interest," "business interest," "excess business losses," and "miscellaneous itemized deductions" as discussed further below. The Partnership may also generate capital losses, the deductibility of which are subject to significant limitations. For example, capital losses generally may not be deducted against income other than capital gains and may not be carried back to offset income or gains recognized in prior years. Losses or deductions incurred by a REIT Subsidiary will not be directly allocable to the Partnership or its Partners. Because of these and other limitations on the deductibility of losses and expenses, an investor may not be able to use losses or expenses generated by the Partnership to offset income or gain generated by the Partnership or to offset income or gain recognized by the investor from sources other than the Partnership. Prospective investors should consult their tax advisors regarding the application of these rules to an investment in the Partnership.

Non-corporate U.S. Limited Partners (including certain closely held corporations) generally may deduct losses from passive activities only to the extent of their income from passive activities. Income or losses derived from a passive activity generally include income or losses derived from a trade or business in which the taxpayer does not materially participate (including a trade or business conducted through a fiscally transparent entity in which the taxpayer owns an interest). In addition, the Partnership expects to hold assets that give rise to gross income from interest, dividends, annuities or royalties not derived in the ordinary course of a trade or business ("portfolio assets"). The income generated by the Partnership's portfolio assets (including gain or loss from the disposition thereof) generally cannot be offset by a U.S. Limited Partner's losses or income from passive activities. Subject to applicable limitations, losses from passive activities that are disallowed in a taxable year may be carried forward and deducted against income from passive activities in future years or may be allowed as a deduction against income from non-passive activities (including income from portfolio assets) in the year in which the taxpayer disposes of the passive activity in a fully taxable transaction to an unrelated person.

Section 465 of the Code provides that individuals and certain closely held corporations will not be permitted in any year to deduct or offset against other income a loss from certain enumerated activities (whether held directly or through investment in a partnership) to the extent that such loss exceeds the aggregate dollar amount that a taxpayer has "at risk" in such activity at the close of the taxable year. A loss that is not permitted to be used in any year under Section 465 of the Code may be carried over by the taxpayer to subsequent years and be deducted under Section 465 of the Code if and to the extent the amount that the taxpayer has at risk is increased at the close of the taxable year. To the extent the at-risk rules apply to a U.S. Limited Partner's investment in the Partnership, the U.S. Limited Partner investor initially will generally be at risk only to the extent of the amount of its cash investment in its Interest in the Partnership.

Partnership expenses, including Management Fees paid by the Partnership, may be treated as miscellaneous itemized deductions or may have to be capitalized for tax purposes. Individual investors, as well as certain estates and trusts, are precluded from claiming any miscellaneous itemized deductions for taxable years beginning before January 1, 2026. For taxable years beginning in 2026 or later, miscellaneous itemized deductions may be permitted only to the extent that such deductions exceed 2% of the taxpayer's adjusted gross income.

To the extent that the Partnership has interest expense, a non-corporate U.S. Limited Partner may be subject to the limitation on the deduction of "investment interest" under the Code. Investment interest includes interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment and short sale expenses. Investment interest is not deductible in the current taxable year to the extent it exceeds a taxpayer's net "investment income," consisting of net gain and ordinary income in the current year from investments. For the purposes of this limitation, net long-term capital gains are generally excluded from the computation of investment income, unless the taxpayer elects to pay tax on such gain at ordinary income tax rates. Subject to applicable limitations, investment interest that is disallowed in a taxable year may be carried forward and deducted against investment income in future years.

In addition, the ability to deduct "business interest" expense (generally interest on debt that is allocable to a trade or business) incurred by entities treated as partnerships for U.S. federal income tax purposes is limited to the extent that the net business interest expense of the partnership exceeds 30% of the partnership's "adjusted taxable income." If a U.S. Limited Partner's allocable share of interest expense incurred by such a partnership is disallowed under these rules, the disallowed interest may be carried forward and deducted in future years, subject to applicable partner-level limitations on interest deductibility, but only to the extent that the U.S. Limited Partner is allocated "excess taxable income" from the same partnership that generated the disallowed business interest. A taxpayer that is engaged in a real property trade or business may generally elect not to have the business interest expenses limitations apply to interest expense derived in connection with such trade or business. In order to make this election, however, the taxpayer must calculate depreciation with respect to assets held in connection with such real property trade or business using the "alternative depreciation system," which could have the effect of materially decreasing the present value of any tax benefit attributable to the depreciation deductions generated by such assets.

An "excess business loss" of a non-corporate taxpayer is not allowed for the taxable year, effective for taxable years beginning after December 31, 2020, and before January 1, 2029. For purposes of this rule, an "excess business loss" is generally the excess, if any, of the net loss attributable to trades or businesses of the taxpayer over a specified threshold amount. Any excess business loss of the taxpayer is treated as part of the taxpayer's net operating loss and carried forward to subsequent taxable years. In the case of an entity treated as a partnership for U.S. federal income tax purposes, this rule applies at the partner level, and a partner's allocable share of the items of income, gain, deduction or loss of the partnership is taken into account in calculating the partner's limitation.

In general, neither the Partnership nor any Partner may currently deduct organizational or syndication expenses. The Partnership may elect to amortize its organizational expenses over a 180-month period. Syndication expenses (including placement fees) must be capitalized and cannot be amortized or otherwise deducted. However, the capitalization of such syndication expenses and unamortized organizational expenses may result in increased capital loss or decreased capital gain on the disposition or liquidation of an Interest in the Partnership.

***Sale or Disposition of Limited Partner Interests.*** The transfer of an Interest is restricted by the Partnership Agreement. Thus, a Limited Partner may be unable to transfer its Interest. However, if a U.S. Limited Partner sells or otherwise disposes of an Interest in the Partnership in a taxable transaction, gain or loss would generally be recognized in an amount equal to the difference, if any, between the amount realized from the sale or disposition and the adjusted basis of the Interest. The amount realized will include the U.S. Limited Partner's share of the Partnership's liabilities outstanding at the time of the sale or disposition. Except as otherwise described below with respect to "inventory items" and "unrealized receivables" and "unrecaptured Section 1250 gain" of the Partnership (but of not a REIT Subsidiary) and as described below with respect to "controlled foreign corporations" and "passive foreign investment companies," if the U.S. Limited Partner holds the Interest as a capital asset, the gain or loss will generally be treated as capital gain or loss to the extent a sale of assets owned by the Partnership would qualify for such

treatment. Gain or loss on disposition of an Interest will generally be long-term capital gain or loss if the U.S. Limited Partner has held the Interest for more than one year on the date of such sale or disposition; *provided*, that a Capital Contribution by the U.S. Limited Partner to the Partnership within the one-year period ending on such date will cause part of such gain or loss (other than gain or loss recognized in connection with a redemption by the Partnership) to be short term capital gain or loss. The portion of the selling U.S. Limited Partner's gain allocable to (or amount realized, in excess of basis, attributable to) "inventory items" and "unrealized receivables" of the Partnership, as defined in Section 751 of the Code, will be treated as ordinary income. A portion of non-corporate U.S. Limited Partner's gain may also be treated as "unrecaptured Section 1250 gain" in an amount equal to the amount of "unrecaptured Section 1250 gain" that would be allocated to the selling U.S. Limited Partner if the Partnership sold all of its Section 1250 property in a fully taxable transaction immediately before the disposition of the U.S. Limited Partner's Interest.

In the event of a sale or other transfer of an Interest at any time other than the end of the Partnership's taxable year, the share of income and losses of the Partnership for the year of transfer attributable to the Interest transferred will be allocated for U.S. federal income tax purposes between the transferor and the transferee in accordance with Section 706(d) of the Code and applicable Treasury Regulations using any method or convention selected by the General Partner in accordance with the Partnership Agreement. In addition, the General Partner is not under an obligation to make an election under Section 754 of the Code in connection with a transfer of an Interest and the General Partner does not currently expect that it would make such an election in connection with a Limited Partner's transfer of an Interest.

***Subsequent Closings.*** Pursuant to the Partnership Agreement, in connection with a Subsequent Closing, new Limited Partners are required to contribute certain amounts to the Partnership, including an interest factor amount, and subject to the Partnership Agreement, such amounts may be distributed to existing Limited Partners. The receipt of the interest factor amount is likely to result in an existing Limited Partner's recognizing income for U.S. federal income tax purposes.

***Mandatory Basis Adjustment.*** A transfer of an Interest and the distribution of partnership property are subject to certain basis rules that are designed to limit the use of partnerships to shift or duplicate losses. These rules effectively make an election under Section 754 of the Code mandatory in certain situations, resulting in an adjustment to the tax basis of the Partnership's assets. For example, a partnership (other than a partnership that has elected to be treated as an "electing investment partnership") must make basis adjustments under Section 743 of the Code following a transfer of a partnership interest if the partnership has an aggregate built-in loss in the value of its assets of \$250,000 or more as if such partnership had made an election under Section 754 of the Code, whether or not such an election is actually in effect. This would affect the transferee Limited Partner, but not the other Limited Partners, and would generally have the effect of reducing the transferee Limited Partner's share of the basis of the Partnership's assets. As a result, such transferee Limited Partner may be allocated a lesser amount of depreciation or amortization expense or a greater amount of gain with respect to the Partnership's investments than would have been the case absent such rules. Unless the Partnership is an electing investment partnership, a mandatory basis adjustment would also be required following a transfer of an interest in the Partnership if the transferee Limited Partner would be allocated a loss of more than \$250,000 if the partnership assets were sold for cash equal to their fair market value immediately after the transfer. There are similar provisions governing distributions in-kind of property that has a built-in loss of \$250,000 or more. The Partnership may not be eligible to elect to be an electing investment partnership and is not required to make an election to be treated as an electing investment partnership if it is eligible to make such election.

#### **Tax Treatment of U.S. Limited Partners with Respect to Foreign Corporations.**

A U.S. Limited Partner may be subject to special rules applicable to investments by the Partnership in foreign corporations, including "controlled foreign corporations" ("CFC") and "passive foreign investment companies" ("PFICs"):

***Controlled Foreign Corporations.*** If a U.S. Person, including the Partnership, directly, indirectly or constructively owns at least 10% of the stock of a foreign corporation as measured by value or voting power, such U.S. Person will be considered a "United States shareholder" with respect to the foreign corporation. If United States shareholders in

the aggregate directly, indirectly or constructively own more than 50% of the voting power or value of the stock of such corporation, the foreign corporation will be classified as a CFC for U.S. federal income tax purposes. If the corporation qualifies as a CFC during the taxable year, the United States shareholders of the CFC who directly or indirectly own stock of the CFC would generally be subject to current U.S. tax on certain types of income of the CFC commonly referred to as "Subpart F income" (e.g., dividends, interest, certain rents and royalties, gain from the sale of property producing such income and certain income from sales and services) and, in certain circumstances, on earnings of the CFC that are invested in U.S. property, even if cash distributions are not received from the corporation. Under proposed Treasury Regulations, a domestic partnership (such as the Partnership) generally may be able to elect not to recognize and allocate to its partners the domestic partnership's share of a CFC's Subpart F income. U.S. Limited Partners who are themselves United States shareholders with respect to a CFC owned by the Partnership would, however, still be required to include their share of the CFC's Subpart F income. A United States shareholder (other than a domestic partnership) in a CFC is generally also required to include its share of the CFC's "global intangible low-taxed income" (which can include non-passive income earned by a CFC), regardless of whether cash distributions are made from the CFC. In addition, gain on the sale of the CFC's stock by a United States shareholder (including the Partnership or a domestic partnership that owns a CFC) during the period that the corporation is a CFC and thereafter for a five-year period may be classified in whole or in part as dividend income. Unless certain requirements are met, all or a portion of any gain received from the sale of the CFC's stock that is classified as dividend income may not be classified as "qualified dividend income" within the meaning of the Code. Qualified dividend income realized by U.S. Limited Partners who are individuals is currently subject to tax at the same U.S. federal income tax rates that apply to long-term capital gains. To the extent the dividend income does not qualify as "qualified dividend income," such income would be taxed at ordinary income rates. The Partnership may invest in foreign corporations that are classified as CFCs and U.S. Limited Partners may be subject to the rules described above.

*Passive Foreign Investment Companies.* U.S. tax law contains special provisions dealing with PFICs. A PFIC is defined as any foreign corporation in which either: (i) 75% or more of its gross income for the taxable year is "passive income"; or (ii) 50% or more of its assets (by value) produce "passive income." There are no minimum stock ownership requirements for PFICs. Once a corporation qualifies as a PFIC with respect to a U.S. shareholder, it is, subject to certain exceptions, always treated as a PFIC with respect to such shareholder, regardless of whether it satisfies either of the qualification tests in subsequent years. If the Partnership were to invest in a PFIC, any gain on disposition of the PFIC's stock (or gain on the sale of an Interest by a U.S. Limited Partner that is attributable to PFIC stock held by the Partnership), as well as income realized on certain "excess distributions" by the PFIC, would be treated as though realized ratably over the shorter of a U.S. Limited Partner's holding period of its Interest or the Partnership's holding period for the PFIC. Such gain or income would be taxed as ordinary income. In addition, an interest charge would be imposed on each U.S. Limited Partner based on the tax deemed deferred from prior years. If the Partnership were to invest in a PFIC and the Partnership elected to treat its interest in the PFIC as a "qualified electing fund" (a "QEF") under the Code (or if a non-U.S. alternative investment vehicle were to invest in a PFIC and a U.S. Limited Partner made a QEF election with respect to the PFIC), for the first year in which the Partnership (or a non-U.S. alternative investment vehicle) holds the PFIC, in lieu of the foregoing treatment, each applicable U.S. Limited Partner would be required to include in income each year a portion of the ordinary earnings and net capital gains of the PFIC, even if not distributed to the Partnership or the Limited Partners. In order to make such election, among other things, the Partnership would have to be supplied with an information statement provided by the PFIC. Alternatively, an election may be made in the case of certain "marketable stock" to "mark-to-market" the stock of a PFIC on an annual basis. Pursuant to such an election, a U.S. Limited Partner would include in each year as ordinary income the excess, if any, of the fair market value of such stock over its adjusted basis at the end of the taxable year. There can be no assurance that a foreign corporation in which the Partnership invests will not qualify as a PFIC or that a PFIC in which the Partnership does invest will provide the information necessary for the Partnership or a U.S. Limited Partner to make and maintain a valid QEF election. The Partnership does not expect that PFICs, if any, in which the Partnership invests will be eligible for a "mark-to-market" election.

*Foreign Tax Credit Limitations.* U.S. Limited Partners may be entitled to a foreign tax credit with respect to foreign taxes paid on the income and gains of the Partnership. However, there are complex rules contained in the Code that limit the availability or use of foreign tax credits, depending on the U.S. Limited Partner's individual circumstances. For example, a U.S. Limited Partner's share of gain from the sale of the Partnership's non-U.S. investments may be

treated as U.S. source income. Consequently, a U.S. Limited Partner may not be able to use as a credit any foreign taxes imposed with respect to such gains unless such credit can be applied against the U.S. tax due on foreign source income of such Limited Partner from other sources.

*Foreign Currency Gain or Loss.* The Partnership or fiscally transparent entities in which the Partnership invests may engage in transactions involving foreign currencies and, as a result, the Partnership and the U.S. Limited Partners may recognize foreign currency gain or loss. In general, foreign currency gain or loss is treated as U.S. source ordinary income or loss. Prospective investors should consult with their tax advisors with respect to the tax treatment of foreign currency transactions.

*Certain Reporting Requirements.* U.S. Limited Partners may be subject to certain reporting requirements under the Code, including as a result of owning an Interest in a non-U.S. alternative investment vehicle of the Partnership (a “Non-U.S. Partnership Entity”). For example, U.S. Limited Partners will generally be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, reporting transfers of cash or other property to a Non-U.S. Partnership Entity and information relating to such Non-U.S. Partnership Entity, including information relating to the U.S. Limited Partner’s ownership interest in such Non-U.S. Partnership Entity and allocations of the items of such Non-U.S. Partnership Entity’s income, gains, losses, deductions and credits to the U.S. Limited Partners. In addition, U.S. Limited Partners that indirectly own stock in foreign corporations through the Partnership or a Non-U.S. Partnership Entity, including CFCs and PFICs, may be subject to special reporting requirements under the Code, including on Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Partnership and Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation. The Code also requires that individuals and certain entities owning an interest in “specified foreign financial assets,” including a foreign investment fund such as a Non-U.S. Partnership Entity, the value of which exceeds certain specified thresholds, to attach to his or her tax return for the year detailing disclosure of such assets, subject to certain exceptions. Accordingly, U.S. Limited Partners may be required to file Form 8938, Statement of Specified Foreign Financial Assets, with respect to their interest in any Non-U.S. Partnership Entity. Substantial penalties may be imposed for the failure to satisfy such reporting requirements. **Potential investors should consult their tax advisors regarding any information reporting requirements relating to an Interest.**

## **Taxation of U.S. Shareholders of a REIT**

If a Limited Partner invests through the Partnership or a Parallel Vehicle in a REIT Subsidiary, such Limited Partner will be allocated a portion of the income that the Partnership or such Parallel Vehicle realizes with respect to its ownership of REIT Subsidiary shares and will generally be taxed with respect to this allocated income in the same manner as if such Limited Partner held the REIT Subsidiary shares directly. As used in this discussion, a “U.S. shareholder” is a shareholder who or that is a U.S. Person, and a “non-U.S. shareholder” is a shareholder who or that is a Non-U.S. Person. This discussion generally describes the treatment of U.S. shareholders that are not tax-exempt. For additional information regarding the ownership of an interest in a partnership which owns REIT shares, tax-exempt organizations should see the discussion under the heading “U.S. Taxation of U.S. Tax-Exempt Limited Partners,” and Non-U.S. Persons should see the discussion under the heading “U.S. Taxation of Non-U.S. Limited Partners.”

*Distributions Generally.* Distributions out of a REIT’s current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends, and certain amounts that have previously been subject to corporate level tax, discussed below, will be taxable to taxable U.S. shareholders as regular corporate dividends, and, except to the extent provided in “—Tax Rates” below, generally are not eligible for the preferential rates on qualified dividend income applicable to non-corporate U.S. shareholders, including individuals. As long as a REIT qualifies for taxation as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. shareholders that are corporations.

To the extent that a REIT makes distributions on its stock in excess of its current and accumulated earnings and profits, these distributions will be treated first as a tax-free return of capital to a U.S. shareholder. This treatment will

reduce the U.S. shareholder's adjusted tax basis in its shares of the REIT's stock by the amount of the distribution, but not below zero. Distributions in excess of a REIT's current and accumulated earnings and profits and in excess of a U.S. shareholder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends a REIT declares in October, November, or December of any year and which are payable to a shareholder of record on a specified date in any of these months will be treated as both paid by it and received by the shareholder on December 31 of that year, provided the REIT actually pays the dividend on or before January 31 of the following year. U.S. shareholders may not include in their own income tax returns any of a REIT's net operating losses or capital losses.

**Capital Gain Dividends.** Dividends that a REIT properly designates as capital gain dividends will be taxable to the REIT's taxable U.S. shareholders as a gain from the sale or disposition of a capital asset, to the extent that such gain does not exceed the REIT's actual net capital gain for the taxable year, and may not exceed the dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. These dividends may be taxable to non-corporate U.S. shareholders at preferential tax rates. See "—Tax Rates" below. U.S. shareholders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income.

**Retention of Net Capital Gains.** A REIT may elect to retain, rather than distribute as a capital gain dividend, all or a portion of its net capital gains. If it makes this election, it would pay tax on its retained net capital gains. In addition, to the extent it so elects, a U.S. shareholder generally would:

- include its pro rata share of the REIT's undistributed net capital gains in computing its long-term capital gains in its return for its taxable year in which the last day of the REIT's taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid the capital gains tax imposed on the REIT on the designated amounts included in the U.S. shareholder's long-term capital gains;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted basis of its stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. shareholder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

**Passive Activity Losses and Investment Interest Limitations.** Distributions a REIT makes and gain arising from the sale or exchange by a U.S. shareholder of a REIT's shares will not be treated as passive activity income. As a result, U.S. shareholders generally will not be able to apply any "passive losses" against this income or gain. A U.S. shareholder generally may elect to treat capital gain dividends, capital gains from the disposition of stock and qualified dividend income as investment income for purposes of computing the investment interest limitation, but in such case, the shareholder will be taxed at ordinary income tax rates on such amount. Other distributions made by a REIT, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

**Dispositions of REIT Stock.** If a U.S. shareholder sells or disposes of REIT shares to a person other than the REIT, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted basis in the shares for tax purposes. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held the shares for more than one year. If, however, a U.S. shareholder recognizes loss upon the sale or other disposition of REIT shares that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. shareholder received distributions from the REIT which were required to be treated as long-term capital gains.

**Tax Rates.** Currently the maximum tax rate for non-corporate taxpayers for (1) capital gains is generally 20% (although depending on the characteristics of the assets which produced these gains and on designations which the REIT may make, certain capital gain dividends may be taxed at a 25% rate) and (2) “qualified dividend income” is generally 20%. However, dividends payable by REITs are not eligible for the 20% tax rate on qualified dividend income, except to the extent that certain holding requirements have been met and the REIT’s dividends are attributable to dividends received by the REIT from taxable corporations (such as the REIT’s TRSs), to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year), or to dividends properly designated by the REIT as “capital gain dividends.” U.S. shareholders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. shareholders, including individuals, generally may deduct 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026.

### **Certain U.S. Tax Considerations for U.S. Tax-Exempt Limited Partners**

U.S. Limited Partners that are exempt from U.S. federal income tax under Section 501 of the Code (“Tax-Exempt Limited Partners”) are generally still subject to U.S. federal income tax to the extent they recognize UBTI. The Partnership will be permitted to make investments that generate UBTI to Tax-Exempt Limited Partners, and the Partnership Agreement will not contain any covenant intended to prevent or minimize the amount of UBTI recognized by a Tax-Exempt Limited Partner.

With exceptions for certain types of entities, UBTI is generally defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the entity is a partner). However, subject to the discussion below of “debt financed property,” UBTI generally does not include dividends, royalties, interest, rents from real property and gains from the sale of property that is neither inventory nor held for sale to customers in the ordinary course of business, but does include operating income from operating assets that are held in a fiscally transparent entity for U.S. federal income tax purposes. UBTI may be adjusted by deductions for certain expenses attributable to the unrelated trade or business, but must be separately computed for each unrelated trade or business. As a result, losses from one trade or business generally may not be used to offset income from another trade or business in determining the total amount of UBTI a tax-exempt entity is required to recognize. A U.S. tax-exempt entity deriving gross income characterized as UBTI that exceeds \$1,000 in any taxable year is obligated to file a U.S. federal income tax return, even if it has no tax liability for that year as a result of deductions against such gross income, including an annual \$1,000 statutory deduction.

If a Tax-Exempt Limited Partner’s acquisition of an Interest in the Partnership is considered debt financed, or the Partnership incurs debt that is allocated to the acquisition of an investment (or fiscally transparent entities in which the Partnership invests incurs such debt), all or a portion of the income or gain attributed to the “debt financed property” would be included in UBTI, regardless of whether such income or gain would otherwise be excluded as dividends, interest, rents, gain or loss from the sale of eligible property, or other similar income which is not normally UBTI. Such treatment would apply, in the case of current income, only in the tax years in which the Partnership had acquisition indebtedness outstanding or, in the case of a sale, if the Partnership had acquisition indebtedness outstanding with respect to the sold asset at any time during the 12-month period prior to the sale. The Partnership may incur indebtedness or make guarantees that give rise to acquisition indebtedness, and thus the Partnership may generate UBTI as a result of such activities.

The amount of UBTI incurred by a Tax-Exempt Limited Partner will depend on the nature of the Partnership’s operations and investments. The Partnership or fiscally transparent entities in which the Partnership invests may incur indebtedness or make guarantees that give rise to acquisition indebtedness, and the Partnership may therefore generate UBTI as a result of such borrowing-related activities. If the Partnership were to invest in a fiscally transparent entity that is, directly or indirectly through one or more fiscally transparent entities, engaged in a trade or business, all or a portion of the current operating income derived from such investment by the Partnership generally would be treated as UBTI and UBTI may also be generated in connection with the sale of such investment. In addition, fee

income actually received or deemed to be received by the Partnership or the Limited Partners (including fee income that might be deemed to be received because, although paid to the General Partner (or its affiliates), such income results in a reduction in the Management Fee) may be treated as UBTI in certain circumstances.

As described above, the Partnership may form one or more REIT Subsidiaries through which to make investments in assets. Dividends from a REIT generally are not UBTI to tax-exempt investors, even if the property held by the REIT is debt-financed or otherwise produces UBTI. However, a pension trust qualified under Section 401(a) of the Code (a “qualified trust”) that owns more than 10% of a REIT’s shares is required to recognize any UBTI from REIT distributions if the REIT is considered to be “pension-held” within the meaning of Section 856(h)(3)(D) of the Code. A “pension-held REIT” is a REIT that is more than 50% owned by a group of five or fewer individuals and qualified trusts if either (i) at least one qualified trust holds more than 25% of the interests in the REIT or (ii) a group of qualified trusts, each separately holding more than 10% of the REIT, collectively owns more than 50% of the REIT. If a REIT is pension-held, it must determine the extent to which its dividends would constitute UBTI for its more than 10% qualified trust shareholders. For this purpose, the activities of the REIT are tested for UBTI as if it were a qualified trust. If the REIT would have recognized UBTI at least equal to 5% of its income if it were a qualified trust, then any qualified trust that owns more than 10% of a pension-held REIT will recognize UBTI on the REIT’s dividends in the same proportion as the REIT’s deemed gross UBTI (less direct expenses) bears to its total gross income (less direct expenses). While no assurances can be given, the Partnership does not presently expect any REIT Subsidiary to be a “pension-held REIT.”

The incurrence of UBTI may have a significant effect on any investment by a Tax-Exempt Limited Partner and may make investment in the Partnership unsuitable for some Tax-Exempt Limited Partners. **U.S. tax-exempt investors should consult their tax advisors regarding a potential investment in the Partnership and all aspects of UBTI.**

Section 4965 of the Code imposes an excise tax on certain U.S. tax-exempt entities (and their managers) that become a “party” to a “prohibited tax shelter transaction.” Although a Tax-Exempt Limited Partner is not expected to be considered a “party” to a prohibited tax shelter transaction solely as a result of investing in the Partnership, there can be no assurance in this regard.

Section 4968 of the Code imposes an annual excise tax equal to 1.4% of the net investment income of an “applicable educational institution.” Any income earned with respect to an Interest held by a Tax-Exempt Limited Partner that is an applicable educational institution may be subject to this excise tax.

### **Certain U.S. Tax Considerations for Non-U.S. Limited Partners**

In general, the tax treatment of a Non-U.S. Limited Partner will depend on whether the Partnership is deemed to be engaged in a U.S. trade or business and whether the Partnership earns ECI. The Partnership will be permitted to make investments that generate ECI to Non-U.S. Limited Partners, and the Partnership Agreement will not contain any covenant intended to prevent or minimize the amount of ECI recognized by a Non-U.S. Limited Partner. A significant portion of the income generated by the Partnership may be ECI.

As discussed below, the Partnership is likely to generate ECI as a result of its investment in real property. If the Partnership were to invest in a fiscally transparent entity that is, directly or indirectly through one or more fiscally transparent entities, engaged in a U.S. trade or business, operating income derived from such investments by the Partnership generally would, and gain from the disposition of such investments attributable to assets owned by the fiscally transparent entity would, be treated as ECI. In addition, fee income actually received or deemed to be received by the Partnership or the Limited Partners (including any fee income that might be deemed to be received because although paid to the General Partner or its affiliates, such income results in a reduction in the Management Fee) may cause the Partnership and the Limited Partners to be treated as being engaged in a U.S. trade or business and to recognize ECI with respect to such fee income.

**Investment Income.** To the extent the Partnership is not engaged in a U.S. trade or business (or such income is not ECI), non-U.S. source dividends and interest paid to the Partnership and, except as discussed below, gains from the sale or other disposition of stock or debt securities by the Partnership, that are allocable to a Non-U.S. Limited



Partner generally will not be subject to U.S. federal income tax. However, a non-resident individual present in the United States for 183 or more days in the taxable year of a sale generally will be subject to a 30% U.S. federal income tax (or applicable lower treaty rate) on any gain resulting from such sale if either (i) the individual's tax home for U.S. federal income tax purposes is in the United States or (ii) the gain is attributable to an office or other fixed place of business maintained by the individual in the United States. Special rules apply to dispositions of USRPIs, as discussed below.

To the extent the Partnership is not engaged in a U.S. trade or business (or such income is not ECI), U.S. source dividends paid to the Partnership that are allocable to a Non-U.S. Limited Partner generally will be subject to a 30% withholding tax. U.S. source interest paid to the Partnership that is allocable to a Non-U.S. Limited Partner also will be subject to a 30% withholding tax unless the interest qualifies as portfolio interest. Portfolio interest generally includes (with certain exceptions) interest paid on registered obligations provided the beneficial owner of the interest certifies that it is not a U.S. Person. The portfolio interest exemption is not available with respect to interest paid to a 10% shareholder of the issuer of the indebtedness and is subject to certain other limitations. A Non-U.S. Limited Partner who is resident for tax purposes in a country with which the United States has an income tax treaty may be eligible for a reduced rate of withholding on its distributive share of U.S. source interest and dividends, so long as the Non-U.S. Limited Partner provides the General Partner with properly completed applicable IRS tax forms and any other information requested by the General Partner. A Non-U.S. Limited Partner generally will not qualify for treaty benefits with respect to U.S. source income unless the Partnership (as well as any other entities in the chain of ownership between the Partnership and the entity giving rise to the U.S. source income) is treated as fiscally transparent under the laws of the Non-U.S. Limited Partner's country of residence for tax purposes.

***Effectively Connected Income.*** If the Partnership were engaged in a U.S. trade or business or otherwise recognized ECI, each Non-U.S. Limited Partner would be required to file U.S. tax returns and pay U.S. income tax on its share of the Partnership's ECI. ECI realized by a Non-U.S. Limited Partner generally will be subject to U.S. income tax on a net basis at the same graduated rates applicable to U.S. Limited Partners. In addition, the Partnership would be required to withhold and pay over to the U.S. tax authorities a percentage equal to the highest applicable U.S. federal income tax rate of each Non-U.S. Limited Partner's share of the Partnership's ECI (thus, the Partnership would be liable for taxes attributable to a Non-U.S. Limited Partner's investment in the Partnership), and a Non-U.S. Limited Partner could generally credit such taxes withheld against its U.S. federal income tax liability. Under applicable U.S. Treasury Regulations, if a Non-U.S. Limited Partner recognizes ECI and does not timely file a U.S. federal income tax return, the Non-U.S. Limited Partner may be unable to deduct items of loss and expense in computing its ECI and thus may be subject to U.S. federal income tax on its gross, rather than net, ECI. A Limited Partner that is a non-U.S. corporation may also be subject to an additional branch profits tax of 30% on its share of the Partnership's effectively connected earnings and profits (which generally will include any ECI realized with respect to its investment in the Partnership), adjusted as provided by law (subject to reduction by any applicable tax treaty).

If the Partnership were engaged in a U.S. trade or business or otherwise realizes ECI, it is possible that the amount of taxes required to be withheld or paid by the Partnership with respect to a Non-U.S. Limited Partner could exceed the cash that would otherwise be distributable to such Non-U.S. Limited Partner. In this case, a Non-U.S. Limited Partner would be required to contribute cash to the Partnership to satisfy the Partnership's withholding and tax obligation with respect to such Non-U.S. Limited Partner and amounts so contributed will not be treated as reducing a Non-U.S. Limited Partner's unpaid Capital Commitment to the Partnership.

If the Partnership were engaged in a U.S. trade or business for U.S. federal income tax purposes gain on the sale (including by redemption or any other transaction that is treated as a taxable disposition for U.S. federal income tax purposes) by a Non-U.S. Limited Partner of its Interest would be treated as ECI to the extent that the Non-U.S. Limited Partner would recognize ECI if the Partnership sold all of its assets at fair market value as of the date of such disposition, and the transferee of an Interest generally would be required to deduct and withhold 10% (unless the 15% withholding rate under Section 1445 of the Code applies, as discussed below) from the amount realized on such disposition (which amount would be creditable against the Non-U.S. Limited Partner's U.S. federal income tax liability in connection with the disposition or otherwise). A transferee may also withhold 10% (unless the 15% withholding rate under Section 1445 of the Code applies, as discussed below) from the amount realized on a disposition by a Non-

U.S. Limited Partner of its Interest unless the General Partner or the transferor Non-U.S. Limited Partner, as applicable, provides to the purchaser appropriate documentation that such withholding is not required. The General Partner is not under an obligation to provide a certificate and a Non-U.S. Limited Partner might not be able to provide the required documentation. The Partnership would also generally be required to withhold amounts from payments that are made to any Non-U.S. Limited Partner that is a transferee of an Interest in the Partnership if such transferee failed to withhold the proper amount on acquisition of an Interest. Under this rule, it is possible that the Partnership may be required to withhold amounts from payments that are made to any Non-U.S. Limited Partner in connection with a Subsequent Closing. Any such withholding obligation will be economically borne by the applicable Non-U.S. Limited Partners in the manner described above under “—Tax Indemnity and Withholding.”

If the Partnership were engaged in a U.S. trade or business for U.S. federal income tax purposes, Non-U.S. Limited Partners would be viewed as being engaged in a trade or business in the United States and as maintaining an office or other fixed place of business in the United States. As a result, certain other income of a Non-U.S. Limited Partner could be treated as ECI as a result of such Non-U.S. Limited Partner’s investment in the Partnership. Moreover, Non-U.S. Limited Partners may be deemed to be engaged in a trade or business in the states and localities in which the Partnership activities are conducted, or in the jurisdictions of operation of the entities in which the Partnership invests, thus becoming subject to tax return filing and tax payment obligations in such jurisdictions.

Special rules may apply in the case of Non-U.S. Limited Partners that have an office or fixed place of business in the United States or that are former citizens of the United States, CFCs, foreign insurance companies that hold interests in the Partnership in connection with their U.S. business, PFICs, and corporations which accumulate earnings to avoid U.S. federal income tax. **Non-U.S. Persons are urged to consult their U.S. tax advisors before investing in the Partnership.**

The incurrence of ECI may have a significant effect on any investment by a Non-U.S. Limited Partner and may make investment in the Partnership unsuitable for some Non-U.S. Limited Partners. **Non-U.S. investors should consult their tax advisors regarding a potential investment in the Partnership and all aspects of ECI.**

***Income from Real Property and REIT Investments.*** Regardless of whether the Partnership’s activities constitute a trade or business giving rise to ECI under Section 864 of the Code, under provisions of the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”), Non-U.S. Limited Partners (other than “qualified foreign pension funds” within the meaning of Section 897(l) of the Code) are taxed on the gain derived from the dispositions of “United States real property interests” (“USRPIs”), including gain allocated pursuant to the Partnership Agreement upon a sale of such property by the Partnership. USRPIs include interests in entities that are “United States real property holding corporations” (generally a U.S. corporation 50% or more of whose real estate and other assets held for use in a trade or business consist of USRPIs within the meaning of Section 897(c) of the Code). USRPIs may also include entities that are fiscally transparent for U.S. federal income tax purposes that own USRPIs. Income from selling or other disposing of USRPIs (including through the sale of USRPIs by entities that are fiscally transparent through which the Partnership invests) would generally be subject to U.S. federal income tax and related withholding as ECI, and may be subject to a 30% branch profits tax, in the same manner discussed above. A Non-U.S. Limited Partner may recognize ECI under FIRPTA upon the sale or other taxable disposition of its Interest to the extent any gain recognized upon the sale of such Interest is attributable to USRPIs. As a result, it is possible that a Non-U.S. Limited Partner may recognize ECI under FIRPTA as a result of payments that are made to such Non-U.S. Limited Partner in connection with a Subsequent Closing.

A purchaser of a Non-U.S. Limited Partner’s Interest would be required to withhold 15% of the amount paid for the Interest pursuant to Section 1445 of the Code unless (x) the Non-U.S. Limited Partner can provide evidence satisfactory to the purchaser that: (i) 50% or more of the Partnership’s gross assets do not consist of USRPIs; or (ii) 90% or more of the Partnership’s gross assets do not consist of USRPIs and cash or cash equivalents or (y) the Non-U.S. Limited Partner obtains a withholding certificate from the IRS which authorizes the purchaser to withhold a lesser amount. Regardless of whether such documentation is provided, gain realized by a Non-U.S. Limited Partner from the sale or other disposition of all or any portion of its Interest in the Partnership will, to the extent such gain is attributable

to USRPIs, be subject to U.S. income tax. The foregoing rules are generally not applicable to a Non-U.S. Limited Partner that is a “qualified foreign pension fund.”

The Partnership may establish one or more REIT Subsidiaries through which all or a portion of its investments will be made. Assuming the REIT requirements are satisfied and the REIT Subsidiary distributes all of its taxable income, the REIT generally will not be subject to U.S. federal income tax. Dividends from the REIT Subsidiary that are allocable to a Non-U.S. Limited Partner and that are not attributable to gains from the sale of U.S. real property interests by the REIT will be subject to U.S. federal withholding tax at a 30% rate, unless reduced by applicable tax treaty. Dividends that are attributable to gains from the sale of U.S. real property interests by the REIT Subsidiary will be treated as ECI and will be subject to U.S. federal withholding tax at a 21% rate or the rate generally applicable to ECI allocated to Non-U.S. Limited Partners discussed above (which withheld amount would, in either case, be creditable against the Non-U.S. Limited Partner’s U.S. federal income tax liability in connection with the disposition or otherwise). For those purposes, dividends paid are first considered attributable to gains from the sale of U.S. real property interests, if any. The Partnership may treat the amount of liquidating distributions allocable to Non-U.S. Limited Partners as ECI to the extent attributable to the gain from the sale or exchange of U.S. real property interests by the REIT Subsidiary. Distributions from a REIT Subsidiary may also be subject to a 30% branch profits tax (as discussed above). In general, gains on sale of stock in a “domestically controlled” REIT are not treated as USRPIs for purposes of FIRPTA. A REIT will be considered “domestically controlled” if less than 50% of its stock is held directly or indirectly by Non-U.S. Persons during a specified period. Proposed Treasury Regulations issued on December 29, 2022, modify the existing criteria for qualification as a domestically controlled REIT and provide that the ownership by non-United States persons will be determined by looking through pass-through entities and certain United States corporations, among others. No assurances can be given that any REIT Subsidiary would be considered “domestically controlled” under the proposed Treasury Regulations or the final rules if and when enacted.

The General Partner may form one or more Parallel Vehicles that make Investments using one or more REIT Subsidiaries, blocker corporations and/or feeder corporations or other structures to minimize the amount of ECI realized by Non-U.S. Limited Partners. Such structures may incur U.S. taxes in an amount greater than the amount of taxes that would be borne by Non-U.S. Limited Partners who hold interests directly.

***Additional Considerations for Certain Foreign Governmental Partners.*** A Non-U.S. Limited Partner that is a foreign government or a controlled entity of a foreign government may be eligible for an exemption from certain U.S. federal income taxes under Section 892 of the Code (a “Section 892 Partner”). Section 892 Partners are generally exempt from U.S. federal income and withholding tax on certain types of passive investment income, including U.S.-source dividends and interest. In addition, Section 892 Partners are also generally not subject to U.S. federal income tax under FIRPTA on gains from the disposition of a United States real property holding corporation (including REITs, even if the REIT is not a domestically controlled-REIT), provided they do not own 50% or more of the United States real property holding corporation. However, a Section 892 Partner that is not also a qualified foreign pension fund generally will be subject to U.S. federal income tax under FIRPTA to the extent the Section 892 Partner is allocated dividend income from a REIT that is attributable to gains from the sale of U.S. real property interests, as discussed above in “—Income from Real Property and REIT Investments.”

The exemption of Section 892 of the Code does not apply to CAI under Section 892 of the Code. In addition, special rules apply if a Section 892 Partner holds directly or indirectly 50% or more of an entity (by vote or value), or otherwise has effective control of an entity, that is engaged in a “commercial activity” within the meaning of Section 892 of the Code and the Treasury Regulations promulgated thereunder (a “controlled commercial entity”). A Section 892 Partner generally will not receive the benefit of any exemption under Section 892 of the Code with respect to income derived from a controlled commercial entity. This discussion assumes that no Section 892 Partner will hold 50% or more (or otherwise have effective control) of the Partnership, any investment vehicle of the Partnership or any underlying Fund investment.

It is possible that a Section 892 Partner may recognize CAI or be considered to be engaged in a commercial activity as a result of the Partnership’s activities. If the Partnership were to invest in a fiscally transparent entity that is, directly or indirectly through one or more fiscally transparent entities, engaged in a commercial activity, income derived from

such investments by the Partnership generally would be treated as CAI. In addition, fee income actually received or deemed to be received by the Partnership or the Limited Partners (including any fee income that might be deemed to be received because although paid to the General Partner or its affiliates, such income results in a reduction in the Management Fee) may cause the Partnership and the Section 892 Partners to be treated as engaged in commercial activity and to recognize CAI with respect to such fee income. If the Partnership (or a fiscally transparent entity in which the Partnership owns an interest directly or indirectly through other fiscally transparent entities) is treated as engaged in a commercial activity for purposes of Section 892 of the Code, a Section 892 Partner may itself be treated as engaged in a commercial activity. As a result of being treated as engaged in a commercial activity, certain Section 892 Partners may fail to qualify for the benefits of Section 892 of the Code not only with respect to income derived from their interests in the Partnership but also with respect income derived from other sources.

A Section 892 Partner will generally be required to certify its eligibility for the benefits of Section 892 of the Code by providing a valid IRS Form W-8EXP. The General Partner may rely on such certification in order not to withhold on certain distributions and allocations attributable to a Section 892 Partner that qualify for benefits under Section 892 of the Code (if any) with respect to the Partnership. Any withholding taxes incurred by the Partnership, including any withholding taxes imposed as a result of a change in law or an audit of the Partnership, that are attributable to a Section 892 Partner will generally be borne by such Section 892 Partner and treated in the same manner as amounts described above under “—Tax Indemnity and Withholding.”

**Tax Reporting.** The Partnership will determine and report taxable income in accordance with U.S. tax principles. Reports given by the Partnership to its investors may not disclose all of the information that will be needed for a Non-U.S. Limited Partner to determine the amount of tax that such investor is required to pay in the jurisdiction in which such investor is resident (such jurisdiction, the “home jurisdiction”). Each Non-U.S. Limited Partner is strongly encouraged to consult with its tax advisors in its home jurisdiction to determine the local income tax consequences in such jurisdiction of making an investment in the Partnership. Non-U.S. Limited Partners should not rely on the Partnership’s periodic tax reports for purposes of determining the character of income derived by such investors in their home jurisdictions.

### **Tax Consequences Relating to a Real Estate Investment Trust**

As described above under “Treatment of REIT Subsidiaries,” the Partnership may hold a portion of its investments through one or more entities which intend to qualify as REITs for U.S. federal income tax purposes. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following sets forth certain aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and its stockholders.

If a REIT Subsidiary qualifies for taxation as a REIT, it generally will not be required to pay U.S. federal corporate income taxes on its net income that is currently distributed to its stockholders. This treatment substantially eliminates the “double taxation” that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. Entities that qualify for taxation as a REIT will, however, be required to pay U.S. federal income tax as follows:

- A REIT will be required to pay regular U.S. federal corporate income tax on any undistributed REIT taxable income, including undistributed net capital gains.
- If the REIT has (1) net income from the sale or other disposition of “foreclosure property” held primarily for sale to customers in the ordinary course of business or (2) other non-qualifying income from foreclosure property, it will be required to pay regular U.S. federal corporate income tax on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test described below, this tax is not applicable. Foreclosure property generally is defined as property a REIT acquires through foreclosure or after a default on a loan secured by the property or a lease of the property and for which an election is in effect.

- A REIT will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business.
- If a REIT fails to satisfy the 75% gross income test or the 95% gross income test, as described below, but has otherwise maintained its qualification as a REIT because certain other requirements are met, it will be required to pay a tax equal to (1) the greater of (a) the amount by which 75% of its gross income exceeds the amount qualifying under the 75% gross income test, and (b) the amount by which 95% of its gross income exceeds the amount qualifying under the 95% gross income test, multiplied by (2) a fraction intended to reflect the REIT's profitability.
- If the REIT fails to satisfy any of the REIT asset tests (other than a de minimis failure of the 5% or 10% asset tests), as described below, due to reasonable cause and not due to willful neglect, and it nonetheless maintains its REIT qualification because of specified cure provisions, the REIT will be required to pay a tax equal to the greater of \$50,000 or the U.S. federal corporate income tax rate multiplied by the net income generated by the non-qualifying assets that caused it to fail such test.
- If the REIT fails to satisfy any provision of the Code that would result in its failure to qualify as a REIT (other than a violation of the REIT gross income tests or certain violations of the asset tests described below) and the violation is due to reasonable cause and not due to willful neglect, the REIT may retain its REIT qualification but will be required to pay a penalty of \$50,000 for each such failure.
- The REIT will be required to pay a 4% excise tax to the extent it fails to distribute during each calendar year at least the sum of (1) 85% of its REIT ordinary income for the year, (2) 95% of its REIT capital gain net income for the year, and (3) any undistributed taxable income from prior periods.
- If the REIT acquires any asset from a corporation which is or has been a C corporation in a transaction in which the basis of the asset in the REIT's hands is less than the fair market value of the asset on the date the asset is acquired, and the REIT subsequently recognizes gain on the disposition of the asset during the five-year period beginning on the date on which it acquired the asset, then the REIT will be required to pay U.S. federal corporate income tax on this gain to the extent of the excess of (1) the fair market value of the asset over (2) its adjusted basis in the asset, in each case determined as of the date on which the REIT acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which the REIT acquires an asset from the C corporation. Treasury Regulations generally exclude from the application of this built-in gains tax any gain from the sale of property acquired by a REIT in an exchange under Section 1031 (a like kind exchange) or 1033 (an involuntary conversion) of the Code.
- The REIT will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest," or "redetermined TRS service income." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to the REIT's tenants by a TRS of the REIT. Redetermined deductions and excess interest generally represent amounts that are deducted by a TRS for amounts paid to the REIT that are in excess of the amounts that would have been deducted based on arm's length negotiations. Redetermined TRS service income generally represents income of a TRS that is understated as a result of services provided to the REIT or on its behalf.
- Subsidiaries that are C corporations, including TRSs described below, generally will be required to pay federal corporate income tax on their earnings.
- A REIT may elect to retain and pay income tax on its net capital gain. In that case, a stockholder of the REIT would include its proportionate share of the REIT's undistributed capital gain (to the extent the REIT

makes a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that the REIT paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the basis of the stockholder in the REIT's capital stock.

- If the REIT fails to comply with the requirement to send annual letters to its stockholders requesting information regarding the actual ownership of the REIT's stock, and the failure is not due to reasonable cause or due to willful neglect, the REIT will be subject to a \$25,000 penalty, or if the failure is intentional, a \$50,000 penalty.

**Share Ownership Test.** Shares of a REIT must be held by a minimum of 100 persons for at least 335 days in each taxable year or a proportional number of days in any short taxable year after the first taxable year of the REIT. In addition, at all times during the second half of each taxable year after the first taxable year of the REIT, no more than 50% in value of the shares may be owned, directly or indirectly and by applying constructive ownership rules, by five or fewer individuals, which for this purpose includes some tax-exempt entities (the "Five or Fewer Test").

If the Partnership or a Parallel Vehicle forms a REIT Subsidiary, the governing documents of the Partnership or such Parallel Vehicle will contain provisions (the "Ownership Restrictions") that restrict the beneficial and constructive ownership of the Interests by any person to 9.8% of such Interests. The purpose of the Ownership Restrictions is to assist in protecting and preserving the REIT Subsidiary's status as a REIT.

In the event that the Partnership or a Parallel Vehicle forms a REIT Subsidiary, unless the Partnership or such Parallel Vehicle has entered into a waiver agreement with a Limited Partner or limited partner of such Parallel Vehicle, if any person's ownership of interests in the Partnership or such Parallel Vehicle exceeds the 9.8% limitation, that person's interests in the Partnership or such Parallel Vehicle will constitute "Excess Interests" to the extent of such excess. Excess Interests will be deemed to have been transferred to an unaffiliated trustee and held in trust for the benefit of a charitable beneficiary. A transfer of an Interest or of any direct or indirect ownership interest in a Limited Partner or a limited partner of such Parallel Vehicle may cause such person's interests in the Partnership or such Parallel Vehicle to become Excess Interests.

If the Partnership or a Parallel Vehicle forms a REIT Subsidiary, each Limited Partner or limited partner of such Parallel Vehicle will be required to provide to the Partnership or such Parallel Vehicle such information as the General Partner may reasonably request to determine the effect of such person's ownership of interests in the Partnership or such Parallel Vehicle on such REIT Subsidiary's status as a REIT for U.S. federal income tax purposes.

**Ownership of Interests in Qualified REIT Subsidiaries.** A REIT Subsidiary may own certain wholly owned subsidiaries that are intended to be treated as qualified REIT subsidiaries under the Code. A corporation (or other entity treated as a corporation for U.S. federal income tax purposes) will qualify as a qualified REIT subsidiary if the REIT owns 100% of the corporation's outstanding stock and it does not elect with the corporation to treat it as a TRS, as described below. A qualified REIT subsidiary is not treated as a separate corporation for U.S. federal income tax purposes, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit (as the case may be) of the parent REIT for all purposes under the Code, including the REIT qualification tests. Thus, in applying the federal income tax requirements described in this summary, any corporation in which the REIT Subsidiary owns a 100% interest (other than a TRS) is ignored, and all assets, liabilities, and items of income, gain, loss, deduction and credit of such corporation are treated as the assets, liabilities and items of income, gain, loss, deduction, and credit of the REIT Subsidiary. A qualified REIT subsidiary is not required to pay federal income tax, and a REIT's ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities described below under "—Asset Tests."

**Ownership of Interests in Taxable REIT Subsidiaries.** A TRS is a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with the REIT to be treated as a TRS. A TRS also includes any corporation, other than a REIT, with respect to which a TRS owns securities possessing more than 35% of the total voting power or value. Other than some

activities relating to lodging and health care facilities, a TRS may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A TRS is subject to federal income tax as a regular C corporation. A REIT's ownership of securities of its TRS will not be subject to the 10% or 5% asset tests described below. See "—Asset Tests." Taxpayers are subject to a 30% limitation on their ability to deduct net business interest, subject to certain exceptions. See "—Annual Distribution Requirements." While not certain, this provision may limit the ability of TRSs to deduct interest, which could increase their taxable income.

**Asset Tests.** Where a REIT invests in a partnership, the REIT will be deemed to own a proportionate share of the partnership's assets based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. This treatment also applies with respect to the ownership of interests in limited liability companies that are treated as partnerships for tax purposes. At the close of each calendar quarter of its taxable year, a REIT must satisfy certain tests relating to the nature of its assets. First, at least 75% of the value of the REIT's total assets must be represented by real estate assets, cash, cash items and U.S. government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property and, to a limited extent, personal property), shares (or transferable certificates of beneficial interest) in other REITs, any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years (but only for the one-year period beginning on the date the REIT receives such proceeds), debt instruments of publicly offered REITs, and personal property leased in connection with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease.

Second, not more than 25% of the value of the REIT's total assets may be represented by securities, other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for investments in other REITs, any qualified REIT subsidiaries and TRSs, the value of any one issuer's securities may not exceed 5% of the value of the REIT's total assets, and the REIT may not own more than 10% of the total vote or value of the outstanding securities of any one issuer. Solely for purposes of the 10% value test, however, certain securities including, but not limited to "straight debt" securities having specified characteristics, loans to an individual or an estate, obligations to pay rents from real property and securities issued by a REIT, are disregarded as securities. In addition, solely for purposes of the 10% value test, the determination of the REIT's interest in the assets of a partnership or limited liability company in which it owns an interest will be based on the REIT's proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, not more than 20% of the value of the REIT's total assets may be represented by the securities of one or more TRSs.

Fifth, not more than 25% of the value of the REIT's total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate, as described above (e.g., a debt instrument issued by a publicly offered REIT that is not secured by a mortgage on real property).

The asset tests described above must be satisfied at the close of each calendar quarter of the REIT's taxable year. After initially meeting the asset tests at the close of any quarter, a REIT will not lose its status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values unless the REIT acquires securities in the applicable issuer, increases its ownership of securities of such issuer (including as a result of increasing its interest in other partnerships and limited liability companies which own such securities), or acquires other assets. If the REIT fails to satisfy an asset test because it acquires securities or other property during a quarter, including as a result of an increase in its interest in a subsidiary partnership, the REIT may cure this failure by disposing of sufficient non-qualifying assets within 30 days after the close of that quarter.

Certain relief provisions may be available if the REIT discovers a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, the REIT will be deemed to have met the 5% and 10% asset tests

if the value of its non-qualifying assets (1) does not exceed the lesser of (a) 1% of the total value of its assets at the end of the applicable quarter or (b) \$10,000,000, and (2) the REIT disposes of the non-qualifying assets or otherwise satisfies such asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the de minimis exception described above, the REIT may avoid disqualification as a REIT after the 30-day cure period by taking steps including (1) the disposition of sufficient non-qualifying assets, or the taking of other actions, which allow the REIT to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued and (2) disclosing certain information to the IRS. In such case, the REIT will be required to pay a tax equal to the greater of (a) \$50,000 or (b) the corporate tax rate multiplied by the net income generated by the non-qualifying assets.

**Gross Income Tests.** A REIT must satisfy two gross income requirements annually to maintain its qualification as a REIT. First, in each taxable year, the REIT must derive directly or indirectly at least 75% of its gross income, excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains, from (a) investments relating to real property or mortgages on real property, including “rents from real property” and interest on obligations adequately secured by mortgages on real property, or (b) some types of temporary investments. Second, in each taxable year, the REIT must derive at least 95% of its gross income, excluding gross income from prohibited transactions, certain designated hedges of indebtedness, and certain foreign currency gains, from the real property investments described above, dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. In the case of a REIT that is a partner in a partnership or a member in a limited liability company treated as a partnership for U.S. federal income tax purposes, Treasury Regulations provide that the REIT will be deemed to be entitled to its proportionate share of the income of such entity. For these purposes, the term “interest” generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term “interest” solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents received by a REIT from a tenant will qualify as “rents from real property” for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent must not be based in any way on the income or profits of any person. However, an amount the REIT receives or accrues generally will not be excluded from the term “rents from real property” solely because it is based on a fixed percentage or percentages of receipts or sales,
- The REIT, or an actual or constructive owner of 10% or more of its capital stock, must not actually or constructively own 10% or more of the interests in the tenant, or, if the tenant is a corporation, 10% or more of the voting power or value of all classes of stock of the tenant. Rents the REIT receives from such a tenant that is also a TRS of the REIT, however, will not be excluded from the definition of “rents from real property” as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the TRS are substantially comparable to rents paid by the REIT’s other tenants for comparable space.
- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this requirement is not met, then the portion of the rent attributable to personal property will not qualify as “rents from real property,” and
- The REIT generally must not operate or manage the property or furnish or render services to its tenants, subject to a 1% de minimis exception and except as provided below. The REIT may, however, perform services that are “usually or customarily rendered” in connection with the rental of space for occupancy only and are not otherwise considered “rendered to the occupant” of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal and general maintenance of



common areas. In addition, the REIT may employ an independent contractor from whom it derives no revenue to provide customary services, or a TRS, which may be wholly or partially owned by the REIT, to provide both customary and non-customary services to tenants without causing the rent the REIT receives from those tenants to fail to qualify as “rents from real property.”

A REIT Subsidiary may enter into hedging transactions with respect to one or more of its assets or liabilities. The term “hedging transaction” generally means (A) any transaction the REIT enters into in the normal course of its business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by the REIT to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test, and (B) new transactions entered into to hedge the income or loss from prior hedging transactions, where the property or indebtedness which was the subject of the prior hedging transaction was extinguished or disposed of. Hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items and futures and forward contracts. If a hedging transaction is clearly identified as a hedging transaction as specified in the Code, income a REIT derives from such hedging transaction, including gain from the sale or disposition thereof, will not constitute gross income and thus will be exempt from the 95% gross income test and from the 75% gross income test. To the extent that a REIT does not properly identify such transactions as hedges, it hedges other risks or it hedges with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests.

If a REIT fails to satisfy one or both of the 75% or 95% gross income tests for any taxable year, the REIT may nevertheless qualify as a REIT for the year if it is entitled to relief under certain provisions of the Code. A REIT generally may make use of the relief provisions if:

following its identification of the failure to meet the 75% or 95% gross income tests for any taxable year, the REIT files a schedule with the IRS setting forth each item of its gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued, and

the failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances a REIT Subsidiary would be entitled to the benefit of these relief provisions. For example, if it fails to satisfy the gross income tests because non-qualifying income that it intentionally accrues or receives exceeds the limits on non-qualifying income, the IRS could conclude that its failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, such REIT Subsidiary will not qualify as a REIT. Even if these relief provisions apply, and it retains its status as a REIT, a tax would be imposed with respect to such REIT Subsidiary’s non-qualifying income.

Annual Distribution Requirements. To maintain its qualification as a REIT, a REIT is required to distribute dividends, other than capital gain dividends, to its stockholders in an amount at least equal to the sum of:

- 90% of its “REIT taxable income,” and
- 90% of its after-tax net income, if any, from foreclosure property, minus
- the excess of the sum of certain items of non-cash income over 5% of its “REIT taxable income.”

For these purposes, “REIT taxable income” is computed without regard to the dividends paid deduction and net capital gain. In addition, for purposes of this test, non-cash income means income attributable to leveled stepped rents, original issue discount on purchase money debt, cancellation of indebtedness or a like-kind exchange that is later determined to be taxable. “REIT taxable income” will be reduced by any taxes the REIT is required to pay on any gain it recognized from the disposition of any asset it acquired from a corporation which is or has been a C corporation in a transaction in which the REIT’s basis in the asset is less than the fair market value of the asset, in each case determined at the time the REIT acquired the asset, within the five-year period following the REIT’s acquisition of such asset.

A REIT generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At its election, a distribution will be treated as paid in a taxable year if it is declared before the REIT timely files its tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the twelve-month period following the close of such year. These distributions generally are taxable to the REIT's stockholders, other than tax-exempt entities, in the year in which paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. The amount distributed must not be preferential - i.e., every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. To the extent that a REIT does not distribute all of its net capital gain, or distribute at least 90%, but less than 100%, of its "REIT taxable income," as adjusted, the REIT will be required to pay tax on the undistributed amount at the regular corporate tax rate.

Under some circumstances, a REIT may be able to rectify an inadvertent failure to meet the 90% distribution requirements for a year by paying "deficiency dividends" to its stockholders in a later year, which may be included in the REIT's deduction for dividends paid for the earlier year. Thus, the REIT may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, the REIT will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. In addition, if a dividend the REIT has paid is treated as a preferential dividend, in lieu of treating the dividend as not counting toward satisfying the 90% distribution requirement, the IRS may provide a remedy to cure such failure if the IRS determines that such failure is (or is of a type that is) inadvertent or due to reasonable cause and not due to willful neglect.

Furthermore, the REIT will be required to pay a 4% excise tax to the extent it fails to distribute during each calendar year, or in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January immediately following such year, at least the sum of 85% of its REIT ordinary income for such year, 95% of its REIT capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which corporate income tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating this excise tax.

For purposes of the 90% distribution requirements and 4% excise tax described above, distributions declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by the REIT and received by its stockholders on December 31 of the year in which they are declared.

Failure to Qualify. If a REIT Subsidiary failed to qualify for taxation as a REIT in any taxable year and relief provisions did not apply, it would be required to pay regular U.S. federal corporate income tax on its taxable income. Distributions to the Partnership in any year in which a REIT Subsidiary fails to qualify as a REIT would not be deductible by a REIT Subsidiary, nor generally would distributions be required to be made by a REIT Subsidiary under the Code. Unless entitled to relief under specific statutory provisions, a REIT Subsidiary also would be disqualified from reelecting taxation as a REIT for the four taxable years following the year during which REIT qualification was lost. Non-corporate shareholders of a REIT, including individuals, generally may deduct 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026. If the REIT Subsidiary fails to qualify as a REIT, Limited Partners may not claim this deduction with respect to dividends paid by the REIT Subsidiary.

### **Legislation Relating to Foreign Accounts**

In addition to the rules described above regarding the potential imposition of U.S. withholding taxes on payments to Non-U.S. Limited Partners, Sections 1471 through 1474 of the Code (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement or information exchange agreement and related provisions of law and other guidance thereunder, referred to as "FATCA") impose a withholding tax of 30% on certain gross amounts not effectively connected with a U.S. trade or business paid to certain non-U.S. entities unless various information reporting requirements are satisfied. Amounts subject to withholding

under these rules generally include gross U.S. source dividend and interest income and gross proceeds from the sale of property that produces U.S. source dividend or interest income paid on or after January 1, 2019). However, proposed Treasury Regulations, which may be relied upon by taxpayers until final Treasury Regulations are published, would eliminate FATCA withholding on the payments of gross proceeds from the sale of U.S. property that could give rise to U.S. source interest or dividends. To prevent a non-U.S. entity from being subject to withholding under FATCA, such entity may be required to comply with certain information reporting and disclosure requirements which may include, among other things, entering into an agreement with the IRS and requesting additional information from its investors that may be disclosed to the IRS or, alternatively, disclosing information and meeting other requirements imposed under the terms of an intergovernmental agreement (and local laws promulgated pursuant thereto) between the United States and a non-U.S. jurisdiction. Each Non-U.S. Limited Partner will be required to provide the Fund any and all information required for the Fund to meet its obligations under FATCA. The purpose of FATCA is to ensure that foreign entities receiving payments from U.S. sources disclose all of their direct or indirect U.S. owners.

As a result of the FATCA withholding requirements, the Fund generally will be required to withhold 30% of withholdable payments received by the Fund that are distributable to any Limited Partner that is an FFI or other non-U.S. entity unless an exception applies. To the extent that the Fund holds an investment through a REIT Subsidiary or a blocker corporation, dividends from such REIT Subsidiary or blocker corporation, as applicable, and gross proceeds from the disposition of stock in any such entity will generally be withholdable payments.

The General Partner reserves the right to cause any Limited Partner that fails to provide applicable FATCA information or documentation to withdraw from the Fund and/or any alternative investment vehicle.

The FATCA withholding and documentation rules do not replace the withholding requirements described above and are to be applied without regard to any exemptions afforded under existing withholding requirements. In addition, tax information exchange regimes entered into or promulgated by other jurisdictions or international organizations may affect the Fund and its Limited Partners. These regimes may require the Fund or an alternative investment vehicle to collect and report additional information concerning some or all Limited Partners to various jurisdictions. **PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE IMPLICATIONS OF FATCA AND SIMILAR INFORMATION REPORTING REGIMES ON THEIR INVESTMENT IN THE FUND.**

### **Tax Shelter Reporting Rules**

The Partnership may engage in transactions or make Investments that would subject the Partnership, its Limited Partners that are obligated to file U.S. tax returns and/or its advisors to special rules requiring such transactions or Investments by the Partnership, or investments in the Partnership, to be reported and/or otherwise disclosed to the IRS, including to the IRS's Office of Tax Shelter Analysis (the "Tax Shelter Rules"). Although the Partnership does not expect to trigger the application of the Tax Shelter Rules by engaging in transactions solely or principally for the purpose of achieving a particular tax consequence, there can be no assurance that the Partnership will not engage in transactions that are subject to reporting under the Tax Shelter Rules. Pursuant to the Tax Shelter Rules, the Partnership may also provide to its advisors identifying information about the Partnership's investors and their participation in the Partnership and the Partnership's income, gain, loss, deduction or credit from transactions or investments that are subject to the Tax Shelter Rules, and the Partnership or its advisors may disclose this information to the IRS upon its request.

In addition, a Limited Partner may have disclosure obligations with respect to its interest in the Partnership if the Limited Partner (or the Partnership in certain cases) participates in a "reportable transaction" within the meaning of the applicable Treasury Regulations.

Potential investors should consult their tax advisors about their obligation to report or disclose to the IRS information about their investment in the Partnership and participation in the Partnership's income, gain, loss, deduction or credit with respect to transactions or investments subject to these rules.

## Possible Legislative or Other Actions Affecting Tax Aspects

The present U.S. federal income tax treatment of an investment in the Partnership may be modified by legislative, judicial or administrative action at any time, and any such action may affect the treatment of such investment. The U.S. federal income tax rules are constantly under review by persons involved in the legislative process and by the IRS and U.S. Treasury Department, resulting from time to time in the adoption of new Treasury Regulations or changes to existing regulations, revised interpretations of established concepts, as well as statutory changes. Any changes in the U.S. federal tax laws or interpretations thereof could adversely affect the tax treatment of an investment in the Partnership. The U.S. Congress is continuously scrutinizing the U.S. federal income tax treatment of partnerships and the rules that apply with respect to U.S. Persons who hold interests in non-U.S. partnerships, and there can be no assurance that additional legislation will not be enacted that has an unfavorable effect on an investment in the Partnership. **Prospective investors should consult their own tax advisers regarding any legislative changes.**

## State and Local Taxes

Prospective investors should also consider the potential state and local tax consequences of an investment in the Partnership. In addition to being taxed in its own state or locality of residence, a Limited Partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Partnership, or in which the entities in which the Partnership invests, operate. Further, the Partnership may be subject to state and/or local tax. For taxable years beginning before January 1, 2026, certain limitations may apply to a non-corporate Limited Partner's ability to deduct its allocable share of any state and local taxes. **Potential investors should consult their tax advisors regarding the state and local tax consequences of an investment in the Partnership.**

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## **APPENDIX A. Notices to Certain Non-U.S. Investors**

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*This Appendix A contains important disclosures for Non-US Investors in certain jurisdictions.*

### **Notice to Residents of Member States of the European Economic Area Generally**

In relation to each member state of the EEA (each a “Relevant State”) which has implemented the AIFMD, this Memorandum may only be distributed and Interests may only be offered or placed in a Relevant State to the extent that: (1) the Fund is permitted to be marketed to professional investors in the Relevant State in accordance with AIFMD (as implemented into the local law or regulation and as it forms part of local law of the Relevant State); or (2) this Memorandum may otherwise be lawfully distributed and the Interests may otherwise be lawfully offered or placed in that Relevant State (including at the initiative of the investor).

In relation to each Relevant State which, at the date of this Memorandum, has not implemented AIFMD, this Memorandum may only be distributed and Interests may only be offered or placed to the extent that this Memorandum may be lawfully distributed and the Interests may lawfully be offered or placed in that Relevant State (including at the initiative of the investor).

### **Notice to All Non-U.S. Investors Generally**

It is the responsibility of any persons wishing to subscribe for Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of interests, and any foreign exchange restrictions that may be relevant thereto.

### **Notice to Residents of Argentina**

The Interests will not be publicly offered in Argentina. Therefore, this Memorandum has not been, and will not be, registered with the Comisión Nacional de Valores. This offer does not constitute a public offering of Interests within the scope of the Argentine Securities Law No. 17.811. This Memorandum and other offering materials relating to the offer of the Interests are being supplied only to those investors who have expressly requested it. They are strictly confidential and may not be distributed to any person or entity other than the recipients hereof.

### **Notice to Residents of Australia**

The provision of this Memorandum to any person does not constitute an offer of Interests to that person or an invitation to that person to apply for Interests. The Interests are only being offered in circumstances under which no disclosure is required under the Corporations Act 2001 (CTH) (the “Corporations Act”). Any offer of the Interests does not purport to be an offer of the Interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a “wholesale client,” a “sophisticated investor” or a “professional investor” (in each case, as defined in the Corporations Act). The General Partner does not hold an Australian financial services license and is not licensed to provide financial product advice in relation to the Interests. No cooling off rights apply in relation to the Interests. This Memorandum will not be lodged with the Australian Securities and Investments Commission.

### **Notice to Residents of Austria**

Interests in the Fund have not been registered at or otherwise authorized by the Austrian Financial Market Authority for the offering or distribution in the Republic of Austria. Interests in the Fund may not be marketed and distributed to investors domiciled in the Republic of Austria, unless the distribution has occurred at the initiative of the investor or on his behalf. This Memorandum, any other document relating to interests in the Fund and the information contained therein, may only be used in connection with an offer or distribution of interests in the Fund if

the offer or distribution has occurred at the initiative of the investor or on his behalf. Any investor intending to offer and resell interests in the Fund in Austria is solely responsible that any such offer and resale takes place in compliance with the provisions of the applicable securities regulation.

#### **Notice to Residents of the Bahamas**

This Memorandum in connection with the offer of Interests has not been filed with the Securities Commission of The Bahamas because the Partnership is a non-Bahamas based investment fund for the purposes of the Investment Funds Act, 2003 and is therefore exempted from the prospectus filing requirements of the Securities Industry Act, 2011. This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering or a solicitation of an offer to buy the Interests described therein in the Bahamas. Neither the Securities Commission nor any similar authority in the Bahamas has reviewed or in any way passed upon this Memorandum or the merits of the Interests described herein, and any representation to the contrary is an offence. Interests may not be offered or sold, transferred to, registered in favor of, beneficially owned by or otherwise disposed of in any manner to persons (legal or natural) deemed by the Central Bank of the Bahamas as resident for exchange control purposes, unless such persons deemed as resident obtain the prior approval of the Central Bank of the Bahamas. This Memorandum is not, and under no circumstances is it to be construed as, an advertisement to or a solicitation of an offer to buy the Interests described therein to such non-resident persons.

#### **Notice to Residents of Bahrain**

This offer is a private placement. It is not subject to the regulations of the central bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This Memorandum is therefore intended only for “accredited investors” as defined in the glossary to this Memorandum.

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of \$100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this Memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Memorandum.

The General Partner of the Partnership accepts responsibility for the information contained in this Memorandum. To the best of the knowledge and belief of the General Partner, who has taken all reasonable care to ensure that such is the case, the information contained in this Memorandum is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

#### **Notice to Residents of Barbados**

This Memorandum in connection with the offer of Interests has not been filed with the Barbados Financial Services Commission (the “BFSC”) or the Corporate Affairs and Intellectual Property Office of Barbados. The Partnership is not registered with the BFSC as a reporting issuer pursuant to the Securities Act Cap. 318A of the laws of Barbados (the “Barbados Securities Act”) nor are the Interests registered with the BFSC under the Barbados Securities Act.

The information contained in this Memorandum is not intended to be, and shall not constitute, an offer to sell securities to the public in Barbados nor the solicitation of any offer by the public to buy any security. Neither the BFSC nor any similar authority in Barbados has reviewed the Memorandum. The BFSC has not given any warranty as to the accuracy or adequacy of the Memorandum or any other documents related to the issue of the Interests and takes no responsibility as to the validity of the veracity of the contents of the Memorandum. The BFSC has not in any way evaluated the merits of the Interests hereunder and any representation to the contrary is an offence. Please consult with an independent advisor before making an investment decision. The Exchange Control Act, Cap. 71 of the laws of Barbados generally restricts the ability of a resident in Barbados to purchase or transfer securities issued or registered

outside Barbados. The prior permission of the Exchange Control Authority of the Central Bank of Barbados is required for a Barbados resident to purchase or transfer a security not registered in Barbados outside of Barbados.

#### **Notice to Residents of Belgium**

This offering is to be exclusively conducted under applicable private placement exceptions and therefore has not been and will not be notified to, and any other offering material relating to the offering has not been, and will not be approved by the Belgian Financial Services and Markets Authority pursuant to the Belgian laws and regulations applicable to the public offering of securities. Accordingly, this Memorandum and any other documents or materials related to the offer or sale, or invitation for subscription or purchase, of Interests in the Fund, may not be advertised, offered or distributed in any other way, directly or indirectly, to (i) any person located and/or resident in Belgium other than a professional client within the meaning of the Royal Decree of 19 December 2017 laying down detailed rules on the implementation of the directive on markets in financial instruments or (ii) any person qualifying as a consumer for the purposes of Book VI of the Belgian Code of economic law unless this is in compliance with the relevant provisions of such code and the implementing regulation.

#### **Notice to Residents of Bermuda**

The Interests being offered hereby are being offered on a private basis to investors who satisfy the criteria outlined in this Memorandum. This Memorandum is not subject to, and has not received approval from either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorized to be made in this regard.

#### **Notice to Residents of Brazil**

Contents of this Memorandum are provided for general information purposes and do not constitute an offer to sell or a solicitation of an offer to buy Interests in Brazil. The offering of the Interests has not been submitted to the Brazilian securities commission ("CVM") for approval and, therefore, the contents of this Memorandum have not been approved or disapproved by the CVM. Information contained herein may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil. The General Partner does not intend to provide financial, investment, tax, legal, or accounting advice. Investors considering the purchase or sale of any Interest should consult with their own independent professional advisors.

#### **Notice to Residents of the British Virgin Islands**

The Interests may not be offered in the British Virgin Islands unless the Partnership or the person offering the Interests on its behalf is licensed to carry on business in the British Virgin Islands. The Partnership is not licensed to carry on business in the British Virgin Islands. The Interests may be offered to British Virgin Islands business companies (from outside the British Virgin Islands) without restriction. A British Virgin Islands business company is a company formed under or otherwise governed by the BVI Business Companies Act, 2004 (British Virgin Islands).

#### **Notice to Residents of Brunei**

This Memorandum does not, and is not intended to constitute an invitation, offer, sale or delivery of the Interests in Brunei Darussalam. This Memorandum is not intended to be a prospectus. It is for information purposes only. This Memorandum may not be distributed or redistributed to and may not be relied upon or used by any person in Brunei Darussalam. Any offers, acceptances, subscription, sales and allotments of the Interests shall be made outside Brunei Darussalam. This Memorandum, the Partnership and the Interests have not been registered with, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam; nor has it been registered with the Registrar of Companies or the Brunei Darussalam Ministry of Finance.

## **Notice to Residents of Canada**

This Memorandum constitutes an offering of Interests only in those Canadian jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell the Interests. This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of Interests. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Memorandum or the merits of the Interests and any representation to the contrary is an offence under applicable securities laws.

The Interests are being offered on a private placement basis in reliance upon an exemption from the prospectus requirements and in compliance with the registration requirements under applicable securities legislation in each of the provinces of Canada. Resale of the Interests offered hereby will be subject to restrictions under applicable securities legislation, which will vary depending upon the relevant jurisdiction. Generally, the Interests may be resold only pursuant to an exemption from the prospectus requirements and in compliance with registration requirements of applicable securities legislation, pursuant to an exemption order granted by appropriate securities regulatory authorities or after the expiry of a hold period following the date on which the Partnership becomes a reporting issuer under applicable securities legislation. It is not anticipated that the Partnership will become a reporting issuer. In addition, Limited Partners reselling the Interests may have reporting and other obligations. Accordingly, Investors are advised to seek legal advice with respect to such restrictions and obligations. Resale of Interests is also restricted under the terms of the Partnership Agreement. Accordingly, each prospective investor must be prepared to bear the economic risk of the investment for an indefinite period. The Partnership and the General Partner are not in any manner responsible for ensuring compliance by purchasers with any resale restrictions.

Each purchaser of Interests will be required to deliver to the Partnership a subscription agreement in which such purchaser will represent to the General Partner and the Partnership that such purchaser is entitled under applicable provincial securities laws to purchase such Interests without the benefit of a prospectus qualified under such securities laws.

### ***Enforcement of Legal Rights***

Some or all of the Partnership's, the General Partner's and their respective affiliates, directors and officers may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Partnership, the General Partner or such other persons. All or a substantial portion of the assets of the Partnership, the General Partner and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Partnership, the General Partner or such other persons in Canada or to enforce a judgment obtained in Canadian courts against the Partnership, the General Partner or such other persons outside of Canada.

### ***Contractual and Statutory Rights of Action for Damages or Rescission***

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto and, in some cases, advertising and sales literature used in connection therewith, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "[misrepresentation](#)"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. Purchasers of Interests resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser, the General Partner and the Partnership in connection with this offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of



the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult their own counsel.

The contractual and statutory rights of action described in this Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defenses contained therein.

#### ***Rights for Purchasers in Ontario***

Securities legislation in Ontario provides an Ontario purchaser (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in National Instrument 45-106 – Prospectus and Registration Exemptions (“~~NI 45-106~~”)), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) with a statutory right of action for damages or rescission against an issuer and any selling security holder where the related offering memorandum contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation.

However, the foregoing rights are subject to the following:

- (a) The Partnership will not be liable if it proves that the purchaser purchased the Interests with knowledge of the misrepresentation;
- (b) In the case of an action for damages, the Partnership will not be liable for all or any portion of the damages that the Partnership proves do not represent the depreciation in value of the Interests as a result of the misrepresentation relied upon;
- (c) If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Partnership;
- (d) In no case will the amount recoverable in an action exceed the price at which the Interests were offered;
- (e) No action may be commenced to enforce a right of rescission more than 180 days after the date of the transaction that gave rise to the cause of action; and
- (f) No action may be commenced to enforce a right for damages more than the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action and (ii) three years after the date of the transaction that gave rise to the cause of action.

#### ***Rights for Purchasers in Alberta, British Columbia and Québec***

Purchasers of Interests resident in Alberta, British Columbia and Québec do not have a statutory right of action for damages or rescission and therefore will be entitled, pursuant to the subscription agreement to be entered into between such purchaser, the Partnership and the General Partner in connection with this offering, to a contractual right of action for damages or rescission that is equivalent to the statutory right of action for damages or recession available to purchasers resident in Ontario and referred to under “Rights for Purchasers in Ontario” above (including insofar as such right may be subject to defences and limitations available under the Securities Act (Ontario)).

#### **Notice to Residents of the Cayman Islands**

This Memorandum does not constitute an offering, and there will not be any offering of the Interests to the public in the Cayman Islands. No offer or invitation to subscribe for Interests may be made to the public in the Cayman Islands, unless and until the Interests are listed on the Cayman Islands Stock Exchange.

## Notice to Residents of Chile

Neither the Partnership nor the Interests will be registered in the Registro de Valores Extranjeros (Foreign Securities Registry) maintained by the Superintendencia de Valores y Seguros de Chile (Chilean Securities and Insurance Commission or “SVS”) and will not be subject to the supervision of the SVS. If such Interests are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the SVS (an exemption to the registration requirements in the Foreign Securities Registry), or in circumstances which do not constitute a public offering of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law, Law No. 18,045. The commencement date of this offering is the one contained in the cover pages of this Memorandum. The Partnership has no obligation to make public disclosures in Chile, including with respect to the Interests offered. These Interests shall not be subject to public offering in Chile unless registered in the Foreign Securities Registry.

*La Sociedad y los Valores no serán registrados en el Registro de Valores Extranjeros de la Superintendencia de Valores y Seguros de Chile o “SVS” y no están sujetos a la fiscalización de la SVS. Si dichos valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a lo establecido en la Norma de Carácter General 336 de la SVS (una excepción a la obligación de inscripción en el Registro de Valores Extranjeros), o en circunstancias que no constituyan una oferta pública de valores en Chile según lo definido por el Artículo 4 de la Ley 18.045 de Mercado de Valores de Chile. La fecha de inicio de la presente oferta es la indicada en la portada de este Prospecto. La Sociedad no está obligada a entregar información pública en Chile, incluyendo en relación a los Valores. Los Valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores Extranjeros de la SVS.*

## Notice to Residents of China

This Memorandum, which has not been submitted to the Chinese Securities and Regulatory Commission, does not constitute a public offering of, or a solicitation of an offer to buy, Interests whether by way of sale or subscription in the People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

The Interests may only be marketed, offered or sold to Chinese institutions which are authorized to engage in foreign exchange business and offshore investment from outside China. Chinese investors may be subject to foreign exchange control approval and filing requirements under the relevant Chinese foreign exchange regulations, as well as offshore investment approval requirements.

This Memorandum is delivered only to the recipient solely for the purpose of evaluating a possible investment in the Partnership (subject to all requisite approvals, registrations or filings being obtained or completed by the recipient) and may not be used, copied, reproduced or distributed, in whole or in part, to any other person (other than professional advisers of such recipient). Subscriptions will not be accepted from any person other than the person to whom this Memorandum has been delivered.

## Notice to Residents of Colombia

This Memorandum is for the sole and exclusive use of the addressee as a determined individual/entity, and cannot be understood as addressed or be used by any third party, including any of its shareholders, administrators or by any of the employees of the addressee.

This Memorandum has not been and will not be filed with or approved by the Colombian Financial Superintendency or any other regulatory authority in Colombia.

The issuance of the Interests, its trading and payment shall occur outside Colombia, therefore the Interests have not been and will not be registered before the National Securities and Issuers Registry, nor with the Bolsa de Valores de Colombia. The delivery of this confidential Memorandum does not constitute and may not be used for, or in connection with, a public offering as defined under Colombian law and shall be valid in Colombia only to the extent permitted by Colombian law. The Interests may only be exchanged inside the territory of the Republic of Colombia to the extent permitted by Colombian law.

The addressee acknowledges the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment made in connection with this Memorandum and represents that it is the sole responsible party for full compliance therewith. Colombian investors shall be the sole responsible party for compliance therewith. Additionally, Colombian investors are solely liable for conducting an investment suitability analysis as per their applicable investment regime.

#### **Notice to Residents of Cyprus**

No public offering of interests in the Fund is being made to investors resident in Cyprus. Interests in the Fund are being offered only to a limited number of professional investors capable of understanding the risks of their investment. This supplement may be made available and the interests of the fund may be marketed to professional investors (as defined in the Investment Services and Activities and Regulated Markets Law L.87(I)/2017) in Cyprus only if the conditions stated in section 66 of the Cyprus Alternative Investment Fund Managers Law of 2013 (as amended) have been met and the notification procedure in accordance with paragraph 7 of CySEC's Directive DI131/56/02 has been made.

#### **Notice to Residents of the Czech Republic**

No public offer is being made and no one has taken any action that would, or is intended to, permit a public offering of interests in the Fund to be made in the Czech Republic. Subject to exemptions that may be available under applicable law, interests in the Fund may not be offered or sold, directly or indirectly, and neither this Memorandum nor any other offering material or advertisement in connection with interests in the Fund may be distributed or published in or from the Czech Republic. This Memorandum will not be submitted for approval to the Czech National Bank and the Czech National Bank has not otherwise approved or authorized the offering of interests in the Fund to investors resident in the Czech Republic.

#### **Notice to Residents of Denmark**

This Memorandum has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark, and Interests in the Fund have not been and are not intended to be listed on the Danish regulated market. Consequently, this Memorandum may not be made available, and Interests in the Fund may not be marketed or offered for sale directly or indirectly, to any natural or legal person in Denmark except as permitted under applicable rules, including but not limited to consolidated Act No. 1047 of 14 October 2019 on Managers of Alternative Investment Funds etc. (as amended from time to time) (the "Danish AIFM Act") implementing the AIFMD into Danish law, and any Executive Orders issued pursuant thereto. As such, the Fund may not be marketed, and this Memorandum may not be sent, to investors in Denmark unless (i) the Fund has been approved for marketing in Denmark by the Danish Financial Supervisory Authority pursuant to Article 42 of the AIFMD, in which case interests in the Fund may be marketed to professional investors within the meaning of the Danish AIFM Act only or (ii) such marketing was initiated by the investors. This Memorandum must not be distributed to, or relied upon by, investors in Denmark in any other circumstances.

#### **Notice to Residents of Dubai International Financial Center**

This Memorandum relates to a partnership which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). This Memorandum is intended for distribution only to persons meeting the criteria of a "professional client" in accordance with the DFSA's rules and must not, therefore, be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any Memorandum or other documents in connection with this offering. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum, and has no responsibility for it. The Interests to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Interests. If you do not understand the contents of this Memorandum, you should consult an authorized financial advisor.

## Notice to Residents of Egypt

The Interests discussed in the enclosed materials are not being offered or sold publicly in Egypt and they have not been and will not be registered with the Egyptian Capital Market Authority and may not be offered or sold to the public in Egypt. No offer, sale or delivery of such Interests, or distribution of any prospectus relating thereto, may be made in or from Egypt except in compliance with the applicable Egypt laws and regulations.

## Notice to Residents of Finland

In Finland, this Memorandum may be provided solely to, and Interests may be marketed only to Finnish professional investors (as defined in Directive 2014/65/EU and in the Finnish Act on Alternative Investment Fund Managers (*laki vaihtoehtorahastojen hoitajista*, 7.3.2014/162, as amended, "AIFML")). Marketing of the interests in the Fund to Finnish professional investors has been notified to the Finnish Financial Supervisory Authority ("FIN-FSA") in accordance with Chapter 20, Section 3 of the AIFML and the FIN-FSA has subsequently approved the commencement of such marketing.

Neither the AIFM nor the General Partner are authorized or registered in Finland in accordance with the AIFML. The Fund is not a UCITS fund and therefore its marketing is not subject to the provisions of the Finnish Act on Mutual Funds (*sijoitusrahastolaki*, 22.2.2019/213, as amended, the "MFA"), and accordingly, prospective investors should acknowledge that this Memorandum is not a fund prospectus as meant in the MFA. Furthermore, even if interests in the Fund were to be construed as "securities" as defined in the Finnish Securities Markets Act (*arvopaperimarkkinalaki*, 14.12.2012/746, as amended, the "SMA"), based on the exemptions set forth in the SMA, the offering of interests in the Fund would be exempted from the prospectus requirements of the SMA (based on the marketing being restricted to a limited number of professional clients). Accordingly, prospective investors must acknowledge that this Memorandum is not a prospectus within the meaning set forth in the SMA.

Prospective investors should also note that neither the Investment Manager nor the General Partner are investment firms (*sijoituspalveluyritys*) within the meaning of the Finnish Investment Services Act (*sijoituspalvelulaki*, 14.12.2012/747, as amended) and are not subject to the supervision of the FIN-FSA. Any prospective investors should acknowledge that they will not be treated as clients of placement agents (if any) engaged by the Investment Manager or the General Partner in connection with the placement of interests in the Fund and such placement agents may not be under any duty to safeguard the interests of prospective investors. Furthermore, the Fund is not a property fund as meant in the Finnish Act on Property Funds (*kiinteistörahastolaki*, 19.12.1997/1173, as amended). This Memorandum has been prepared for private information purposes only and it may not be used for, and shall not be deemed, a public offering of interests in the Fund. This Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly. This Memorandum or any accompanying supplement has not been approved by the FIN FSA.

## Notice to Residents of France

This Memorandum (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). This Memorandum has not been and will not be submitted to the French *Autorité des marchés financiers* ("AMF") for approval in France and accordingly may not and will not be distributed to the public in France.

Pursuant to Article 211 3 of the AMF General Regulation, French residents are hereby informed that:

- (a) the transaction does not require a prospectus to be submitted for approval to the AMF;
- (b) persons or entities referred to in Point 2, Section II of Article L. 411-2 of the Monetary and Financial Code may take part in the transaction solely for their own account, as provided in Articles D. 411-1, D.411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code; and

- (c) the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

This Memorandum is not to be further distributed or reproduced (in whole or in part) in France by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that such recipients will only participate in the issue or sale of Interests for their own account and undertake not to transfer, directly or indirectly, Interests to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

#### **Notice to Residents of Germany**

The content of the Memorandum has not been verified by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, “BaFin”). The interests in the Fund may only be marketed or acquired within Germany in accordance with the German Capital Investment Act (Kapitalanlagegesetzbuch, “KAGB”) and any laws and regulations applicable in Germany governing the issue, offering, marketing and sale of the interests.

The interests in Fund may be marketed in Germany only to “professional investors” as defined in KAGB and the Directive 2011/65/EU on Alternative Investment Fund Managers.

The interests in the Fund may not be marketed in Germany to “semi-professional investors” and “private investors” as defined in the KAGB.

To the extent the Memorandum provides information on Parallel Funds not registered for marketing under Article 42 and on other investment vehicles and partnerships other than the Fund, the information is for investor disclosure purposes only. The interests in Parallel Funds not registered for marketing under Article 42 and any of these other vehicles and partnerships may not be marketed in Germany within the meaning of § 293 para. 1 KAGB.

Each potential investor is advised to consider possible tax consequences and to consult his own tax counsel.

#### **Notice to Residents of Greece**

Neither the Partnership nor this Memorandum has been, or is intended to be, registered with and approved by the Greek Capital Market Committee. The Interests are therefore not eligible for advertising, placement or public circulation in Greece. The information provided in this Memorandum is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer Interests in Greece to or for the benefit of any Greek person or entity. This Memorandum is not to be distributed or reproduced, in whole or in part, in Greece by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of the Interests outside of Greece on their own account and undertake not to transfer, directly or indirectly, the Interests to the public in Greece.

#### **Notice to Residents of Guernsey**

This Memorandum has not been approved or authorized by the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey. Accordingly, this Memorandum may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000.

#### **Notice to Residents of Hong Kong**

This Memorandum has not been approved by the Securities and Futures Commission in Hong Kong. Accordingly,

(a) the Interests may not be offered or sold in Hong Kong by means of this Memorandum or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or in other circumstances which do not constitute an offer to the public for the purposes of the Securities and Futures Ordinance; and (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Interests which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Interests which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

This Memorandum is delivered only to the intended recipient thereof solely for the purpose of evaluating a possible investment in the Partnership, and may not be used, copied, reproduced or distributed, in whole or in part, to any other person (other than professional advisors of such recipient). Subscriptions will not be accepted from any person other than the person to whom this Memorandum has been delivered.

#### **Notice to Residents of India**

Interests offered hereby have not been registered with any governmental or regulatory authority in India, including the Securities and Exchange Board of India. This Memorandum does not constitute an offer to sell or an offer to buy Interests from any person other than the person to whom this Memorandum has been sent by the Partnership or its authorized agent. This Memorandum is not and should not be construed as a prospectus. The Interests in the Partnership are not being offered to the public for sale or subscription but are being privately placed with a limited number of sophisticated investors. Prospective investors must seek legal advice as to whether they are entitled to subscribe for the Interests of the Partnership and must comply with all relevant Indian laws in this respect.

#### **Notice to Residents of Indonesia**

This Memorandum may not be distributed in the Republic of Indonesia and the Interests may not, directly or indirectly, be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian entities or residents in a manner which constitutes a public offering of the Interests under the laws of the Republic of Indonesia.

#### **Notice to Residents of Ireland**

The Interests are being marketed to professional investors in Ireland, as defined in the European Union (Alternative Investment Fund Managers) Regulations 2013 (the “Irish AIFMD Regulations”) (each a “Professional Investor”). In no circumstance shall any interests in the Fund be marketed to any person in Ireland other than a Professional Investor. In particular, no interests in the Fund are being marketed to retail investors in Ireland, as defined in the Irish AIFMD Regulations.

None of (i) the interests in the Fund, or (ii) any investment therein has been authorised by the Central Bank of Ireland.

This Memorandum and the information contained herein are private and confidential and are for the use solely of the person to whom this Memorandum is addressed (whose name is endorsed on the front page hereof). If a prospective investor is not interested in making an investment in the Fund, this Memorandum should be promptly returned. This Memorandum does not, and shall not be deemed to, constitute an invitation to the public in Ireland to purchase interests in the Fund.

No person receiving a copy of this Memorandum may treat it as constituting an invitation to it to purchase interests in the Fund or a solicitation to anyone other than the addressee. No Irish investor shall knowingly sell any interests in the Fund to any other Irish investor.

By your acceptance and use of this Memorandum you (a) accept and agree to the foregoing; (b) represent that

you are qualified to receive this Memorandum; and (c) agree not to copy or circulate this Memorandum or any information in them to any other person without the express consent of the Fund.

The offer for sale of interests in the Fund shall not be made by any person in Ireland otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and/or the Investment Intermediaries Act 1995 (as amended) and in accordance with any codes, guidance or requirements imposed by the Central Bank of Ireland thereunder.

No action has been taken or arrangement made with the Central Bank of Ireland (the competent authority in Ireland for the purpose of EU Prospectus Regulation (EU) 2017/1129 repealing Directive (2003/71/EC) (the "Prospectus Regulation")) for the use of this Memorandum as an approved prospectus (as defined in the Prospectus Regulation) in Ireland. Accordingly, this Memorandum may not contain all the information required where a document is prepared pursuant to the Prospectus Regulation or the laws of the Republic of Ireland or of any EU Member State or EEA Treaty Adherent State that implement the Prospectus Regulation.

#### **Notice to Residents of Israel**

This Memorandum has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under Sections 15 and 15A of the Israel Securities Law, 5728-1968 ("The Securities Law") or Section 25 of the Joint Investment Trusts Law, 5754-1994 ("The Joint Investment Trusts Law"), as applicable.

The Interests are being offered to a limited number of investors (35 investors or less during any given 12 month period) and/or those categories of investors listed in the first addendum ("The Addendum") to The Securities Law, ("Institutional Investors") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Interests for themselves or for clients who are Institutional Investors), portfolio managers (purchasing Interests for, themselves or for clients who are Institutional Investors), investment counsellors (purchasing Interests for themselves), members of the Tel-Aviv Stock Exchange (purchasing Interests for themselves or for clients who are Institutional Investors), underwriters (purchasing Interests for themselves), venture capital funds engaging mainly in the capital market and wholly owned by Institutional Investors and corporations with a shareholders' equity in excess of NIS 250 million, each as defined in the said addendum, as amended from time to time; in all cases under circumstances that will fall within the private placement or other exemptions of The Joint Investment Trusts Law, The Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

This Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases an Interest is purchasing such Interest for its own benefit and account and not with the aim or intention of distributing or offering such Interest to other parties (other than, in the case of an offeree which is an institutional investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in The Addendum, where such offeree is purchasing an Interest for another party which is an institutional investor). Nothing in this Memorandum should be considered counselling advice as defined in the regulation of Investment Counselling and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Memorandum a recipient may be required by the Partnership to provide confirmation that it is an Institutional Investor purchasing Interests for its own account or, where applicable, for other Institutional Investors.

#### **Notice to Residents of Italy**

The Partnership is not a UCITS complying fund nor an alternative investment fund marketing its units in compliance with the AIFM Directive. This Memorandum and the Partnership have not been nor will be filed with the Italian authorities for registration or authorization; no other action has been or will be taken which would allow the

offering of the Partnership's Interests in Italy. Accordingly, the Partnership's Interests can only be offered upon the express and unsolicited request of an investor who has directly contacted the Partnership on his/her/its own initiative. The recipient of this Memorandum acknowledges the above and hereby agrees not to circulate this Memorandum in Italy unless expressly permitted by, and in compliance with, applicable law.

#### **Notice to Residents of Japan**

No public offering of the Interests is being made to investors resident in Japan and no securities registration statement pursuant to Article 4, Paragraph 1, of the Financial Instruments and Exchange Act (the "FIEA") has been made or will be made in respect to the offering of the Interests in Japan. The Interests may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan unless they are offered or sold pursuant to an exemption from the registration requirements of, and in compliance with, the FIEA and any applicable laws and regulations of Japan. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Interests in Japan or to investors resident in Japan.

#### **Notice to Residents of Jersey**

This Memorandum relates to a private placement to subscribe for the Interests offered hereby in a Non-Jersey Domiciled Fund which is materially equivalent to a Jersey Expert Fund. Interests are only suitable for sophisticated investors who have the requisite knowledge and experience in financial and business matters to evaluate the merits and understand the risks of such an investment. The offer of Interests is personal to the person to whom this Memorandum is being delivered by or on behalf of the Parallel Partnership, and a subscription for the Interests will only be accepted from such person.

The Jersey Financial Services Commission (the "Jersey Commission") has granted consent, pursuant to Article 10(1)(c) of the Control of Borrowing (Jersey) Order 1958, as amended, to the circulation in Jersey of offers pursuant to this Memorandum. The Jersey Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. No other regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Parallel Partnership. This Memorandum may not be reproduced or used for any other purpose.

#### **Notice to Residents of Jordan**

This Memorandum has not been presented to, or approved by the Jordanian Securities Commission or the Board for Regulating Transactions in Foreign Exchanges. Sending this Memorandum or establishing direct contact about it with potential investors in Jordan cannot be made unless and until proper registration, filing and licenses, or exemptions therefrom, required under the Jordanian Securities Law and the law regulating trading in foreign exchanges have been secured.

#### **Notice to Residents of Korea**

The Partnership makes no representation with respect to the eligibility of any recipients of this Memorandum to acquire the Interests under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Law and regulations thereunder. The Interests have not been registered with the Financial Services Commission of Korea (the "FSC") in Korea under the Financial Investment Services and Capital Markets Act of Korea, and the Interests may not be offered, sold or delivered, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the Interests may not be resold to Korean residents unless the purchaser of the Interests complies with all applicable regulatory requirements (including, without limitation, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Interests.



### **Notice to Residents of Kuwait**

This Memorandum is not for general circulation to the public in Kuwait. Interests have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of Interests in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of Interests is being made in Kuwait, and no agreement relating to the sale of Interests will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market Interests in Kuwait.

### **Notice to Residents of Liechtenstein**

The Interests have not been and will not be offered or sold, directly or indirectly, to the public in Liechtenstein. No public advertising or promotion was, is or may be carried out with respect to the Interests in Liechtenstein. This Memorandum does neither constitute a public offering nor a complete or simplified prospectus as understood pursuant to the Liechtenstein Investment Undertakings Act. Thus, the Interests may now and in the future not be offered to the public or by means of public advertising or promotion in Liechtenstein. By accepting this Memorandum, each Investor agrees irrevocably to the foregoing selling restrictions and conditions, concludes the subscription documents for the purchase of the Interests on their grounds and agrees to fulfill these conditions. In case of reselling the Interests to other persons in Liechtenstein, the Investor is obliged to transfer these obligations validly to any subsequent purchaser of such Interests.

### **Notice to Residents of Luxembourg**

No public offering of Interests is being made to investors resident in Luxembourg. Interests are being offered only to a limited number of professional investors in the Grand Duchy of Luxembourg ("Luxembourg") and not by way of a general solicitation. The Commission de Surveillance du Secteur Financier of Luxembourg ("CSSF") has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Interests to investors resident in Luxembourg. The CSSF has however been notified of the marketing of Interests to professional investors resident in Luxembourg in compliance with Article 45 of the law of 12 July 2013 on alternative investment funds managers and related CSSF guidance. Material information provided to investors, including information disclosed in the context of meetings relating to offers of securities, shall be disclosed to all investors to whom the offer is exclusively addressed.

### **Notice to Residents of Malaysia**

This Memorandum does not constitute an offer or an invitation to subscribe for the Interests as the prior recognition by the Malaysian Securities Commission pursuant to the Malaysian Capital Markets and Services Act 2007 has not and will not be obtained for the making available, offering for subscription or purchase or issuance of an invitation to subscribe for or purchase the Interests in Malaysia. Neither this Memorandum nor any document or other material in connection therewith has been registered as a prospectus or deposited or registered with the Malaysian Securities Commission under the Capital Markets and Services Act 2007. Accordingly:

- (a) this Memorandum and any document or other material in connection therewith may not be distributed, circulated or made available directly or indirectly in Malaysia and the offeror shall not be liable in any manner whatsoever in the event this Memorandum and any document or other material in connection therewith is distributed, circulated or made available in Malaysia; and
- (b) the Interests may not be made available, offered for subscription or purchase directly or indirectly in Malaysia, and no invitation to subscribe for or purchase the Interests may be made directly or indirectly to any person in Malaysia.

If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisor immediately. It is your sole responsibility to satisfy yourself as to the

- full observance of the laws of Malaysia and to obtain all relevant government and regulatory approvals including but not limited to exchange control laws;
- (c) nothing in this Memorandum and any document or other material in connection therewith shall constitute in any manner whatsoever a proposal to make available, offer for subscription or purchase or to issue an invitation to subscribe for or purchase any Interests in Malaysia or a proposal to implement any of the foregoing in Malaysia; and
  - (d) the Interests are being offered to you outside Malaysia under a very limited and exclusive private placement.

#### **Notice to Residents of Mexico**

The Interests have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and may not be publicly offered in Mexico. This Memorandum may not be publicly distributed in Mexico. The Interests may be offered as private offering in terms of Article 8 of the Securities Market Law.

#### **Notice to Residents of Netherlands**

In the Netherlands, if and to the extent applicable, Interests will solely be offered, sold, transferred or assigned, as part of their initial distribution or at any time thereafter, to natural persons who or legal entities which are Qualified Investors (gekwalficeerde beleggers) as defined in Section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht (the “FSA”)), as amended from time to time. Interests may not otherwise be offered, sold, transferred or delivered, directly or indirectly, in the Netherlands.

Where an offer is made exclusively to Qualified Investors within the meaning of Section 1:1 of the FSA, the General Partner is not under an obligation to publish a prospectus, which has been approved by the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten (AFM)) or by a competent authority of another member state of the European Economic Area in accordance with the EU Prospectus Regulation (EU) 2017/1129 repealing Directive (2003/71/EC).



#### **Notice to Residents of New Zealand**

Where this Memorandum is provided to persons in New Zealand, it has been prepared and provided solely for persons meeting the definition of “wholesale client” as defined in the Financial Advisers Act 2008. This Memorandum does not provide personal financial product or investment advice. It does not take into account your particular investment objectives, financial situation or investment needs. You should assess whether the information contained in this Memorandum is appropriate to your particular investment objectives, financial situation and investment needs. You should do this before making an investment decision. You can either make this assessment yourself or seek the assistance of any adviser.

#### **Notice to Residents of Nicaragua**

For purposes of the Nicaragua Capital Markets Law and rules issued by the Superintendencia de Bancos y de Otras Instituciones Financiera (the “Bank Superintendence”), the Partnership emphasizes that the Interests hereby offered do not constitute a public offer and, the offer includes Interests which are not registered with the Bank Superintendence. The information provided for this Memorandum has not been reviewed by any public or private entity, in order to ensure that such information is complete, accurate and timely. The fundamental principle of this Memorandum is that it consists of a private transaction amongst private parties.

### **Notice to Residents of Norway**

The offering of Interests is subject to the offering rules of the Alternative Investment Fund Managers Act of 2014 (the “AIFMA”), implementing the AIFMD. The Fund has received the necessary authorisation for marketing in Norway, but is not under supervision by the Financial Supervisory Authority of Norway (Finanstilsynet). Each investor should carefully consider individual tax issues before investing in the Fund. The offer to participate in the subscription contained in this Memorandum is only and exclusively directed to the addressees of this offer, which also must be a professional investor in accordance with the AIFMD. The interests in the Fund are not subject to the prospectus rules in the Securities Trading Act of 2007. Consequently, this Memorandum has not been approved by or registered with the Oslo Stock Exchange, the Financial Supervisory Authority of Norway (Finanstilsynet) or the Norwegian Company Registry. This Memorandum must not be copied or otherwise distributed by the recipient either directly or indirectly, to other persons or entities domiciled in Norway without the consent of the offeror.

### **Notice to Residents of Oman**

The Interests in the Partnership, this Memorandum or any offering material relating to the Interests in the Partnership may not be marketed or distributed to any person in Oman other than by an entity licensed to market non-Omani securities by the capital market authority and then only in accordance with any terms and conditions of such license.

### **Notice to Residents of Panama**

The Interests, and the offer, sale, or transactions regarding the Interests, have not been registered with the Superintendency of the Securities Market of Panama. The exemption from registration is made based on numeral 3 of Article Decree Law 1 of July 8, 1999 (Institutional Investors). Consequently, the tax treatment established in Articles 269 to 271 of Decree Law 1 of July 8, 1999, is not applicable. These securities are not under the supervision of the Superintendency of the Securities Market of Panama.

### **Notice to Residents of Peru**

This neither is an offer or an invitation to offer nor authorizes such sales or invitations in places where such offers or invitations are contrary to the corresponding applicable laws. The placement of Interests has been made through vehicles duly registered in the applicable jurisdictions. The prospectus of each issue may be obtained in the jurisdictions where such Interests of the Partnership were registered, in accordance with the applicable legislation.

The Interests have limitations as to their transferability as detailed in this Memorandum. They are being offered in Peru only to institutional investors as a private offer, according to Article 5 of the Peruvian Securities Market Law. The Interests have not been registered in the Securities Market Public Registry (Registro Público de Mercado de Valores) nor is the offering under supervision of the Superintendency of Securities Market (“Superintendencia del Mercado de Valores”). Accordingly, the Partnership Interests cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian Securities Market Law establishes, among other things, that any particular offer may qualify as private if it is directed exclusively to institutional investors who must rely on their own examination of the terms of the offering of the Partnership Interests to determine their ability to invest in them.

In order for Peruvian pension funds to invest in the Interests, all necessary registrations with the Superintendency of Banking, Insurance and Peruvian Private Pension Funds Administrators (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones or “SBS”) will have to be made.

Other institutional investors, as defined by Peruvian legislation, must rely on their own examination of the Partnership and the terms of the offering of the Partnership Interests in order to determine their legal ability to invest in them. We strongly recommend that each investor seeks independent advice from local counsel in connection with the acquisition of the Partnership Interests.

## Notice to Residents of the Philippines

**THE INTERESTS BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION ("PSEC") UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES ("SRC" OR THE "CODE"). ANY FUTURE OFFER OR SALE OF THE INTERESTS IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Furthermore, the PSEC has not approved or determined if this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense and should be reported immediately to the PSEC. The Interest will be offered to Qualified Institutional Buyers in the Philippines only pursuant to an exemption under Section 10.1(l) of the SRC. Accordingly, Interests may not be offered or sold or made the subject of a solicitation for subscription or purchase nor may this Memorandum or any other document or material in connection with the offer or sale, or solicitation for subscription or purchase, of Interests circulated or distributed whether directly or indirectly to any person in the Republic of the Philippines except in a transaction exempt from the SRC's registration requirements under Section 10 of the SRC.

## Notice to Residents of Poland

This Memorandum (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in Poland within the meaning of Article 3.1 Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated July 29, 2005 (the "Act of Public Offering"). Interests are being offered only to a limited number of investors in Poland pursuant to exemptions from the registration requirements of the Act of Public Offering. This Memorandum has not been and will not be submitted to the Polish Financial Supervisory Authority ("Komisja Nadzoru Finansowego") for approval in Poland and accordingly may not and will not be distributed to the public in Poland.

For the avoidance of doubt, please be also advised that this Memorandum does not and will not constitute (i) an offering (in particular a public offering) of any securities, (ii) an invitation to negotiate the sale of securities, (iii) an invitation to place offers to buy securities, (iv) an invitation to subscribe for securities, or (v) legal grounds entitling the Fund to conclude any other agreement, dispose of a right, or contract any other obligation.

No person (in particular the Fund, the General Partner, the Investment Manager and other persons acting on behalf or on the order placed by the Fund) makes any representations or warranties about the exactitude, completeness or accuracy of the information or opinions included in this Memorandum. Therefore, the persons reviewing the Memorandum should not assume that the information included in this Memorandum is exact, complete or accurate. All such assumptions are made at the sole risk of the person reviewing this Memorandum.

In view of the above, this Memorandum should not be relied upon as a source of information when making any investment decisions, or other decisions, including for example a decision to conclude a contract or dispose of a right or contract an obligation.

The forecasts, information or statements concerning future events, results or phenomena that are included in this Memorandum should not be treated as binding; this applies in particular to forecasts of revenues to be earned from certain markets or projected growth of the Fund. Neither the Fund, the General Partner, the Investment Manager nor other persons acting on behalf or on the order of the Fund, nor any other entities warrant that such information, statements and projections will materialize. In particular, there is no guarantee that future events, results or phenomena will be consistent with the information, statements, predictions or projections about the future included in this Memorandum.

It is not the intention of the Fund or any other persons acting on behalf or on the order of the Fund, or any other entities to (i) update the wording of this Memorandum, (ii) verify the wording of this Memorandum or (iii) inform about inaccuracies or changes of this Memorandum, if any. All the opinions and conclusions contained in this Memorandum may be changed without notice.

### **Notice to Residents of Portugal**

This material is being provided by the Partnership at the request of the addressee for its exclusive use. This offer is addressed only to institutional investors, as so qualified pursuant to the Portuguese Securities Code (Decree-Law 486/99, dated November 13, 1999, as amended from time to time), and it may not and will not be addressed to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (“Código dos Valores Mobiliários”). In addition, (i) no action has been or will be directly or indirectly taken to offer, advertise, market, invite to subscribe, gather investment intentions, sell or deliver the Interests in circumstances which could qualify as a public offer (“oferta pública”) of Interests pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; and (ii) no action has been or will be taken to distribute, make available or cause to be distributed the present materials or any other offering material relating to the offer to the public in Portugal other than in compliance with the Portuguese Securities Code, any laws and regulations implementing the Prospectus Directive (Directive 2003/71/EC, as amended) and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Interests in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be. No placement or commercialization will be made other than in compliance with all relevant Portuguese legislation concerning collective investment undertakings, including the Portuguese Undertaking for Collective Investment Law (Law no. 16/2015 of 24 February), where applicable. The Partnership has not and will not obtain authorization or approval from, and has not and will not be registered with CMVM as an undertaking for the collective investment in transferable Interests or an alternative investment fund, and no filing or recognition procedure has been or will be initiated for such purpose.

### **Notice to Residents of Qatar**

This offering has not been filed with, reviewed or approved by the Qatar central bank, any other relevant Qatar governmental body or securities exchange.

### **Notice to Residents of the Russian Federation**

This Memorandum is not registered with the Russian regulator (the Central Bank of Russia) and is intended exclusively for the qualified investors, as defined in Article 51.2 of the Federal Law No. 39-FZ of April 22, 1996 (as amended), “On the Securities Market.” The Interests (financial instruments) are not admitted to the placement and/or public circulation in the Russian Federation and, accordingly, cannot be advertised or publicly offered to Russian persons and/or in the Russian Federation unless otherwise permitted under the applicable Russian laws.

### **Notice to Residents of Saudi Arabia**

This Memorandum may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Memorandum. Prospective purchasers of the Interests offered hereby should conduct their own due diligence on the accuracy of the information relating to the Interests. If you do not understand the contents of this Memorandum, you should consult an authorized financial adviser.

### **Notice to Residents of Singapore**

This Memorandum and any other document or material in connection with the offer or sale has not and will not be registered as a prospectus with the monetary authority of Singapore (“MAS”) as the Partnership is invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under section 302c of the Securities and Futures Act (Cap. 289) of Singapore (“SFA”). The MAS assumes no responsibility for the contents of this

Memorandum.

The offer or invitation of Interests in the Partnership, which is the subject of this Memorandum, does not relate to a collective investment scheme which is authorized under section 286 of the SFA or recognized under section 287 of the SFA. The Partnership is not authorized or recognized by the MAS and the Interests are not allowed to be offered to the retail public. This Memorandum and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them.

#### **Notice to Residents of South Africa**

This Memorandum is not intended to be and does not constitute solicitation for investments from members of the public in South Africa in terms of the Collective Investment Schemes Control Act, 2002 (as amended). A South African investor who has received such Memorandum warrants that they have received such Memorandum on a reverse-solicitation basis. Recipients who accept this offer warrant that they have sought exchange control advice from an authorised dealer in South Africa or from another appropriate professional advisor as to whether or not they are entitled to participate in the offering and, where necessary, that they have obtained the relevant exchange control approval.

The information contained in this Memorandum does not constitute “advice” as contemplated in the Financial Advisory and Intermediary Services Act, 2002 (“FAIS”), and any prospective investor should rely on its own examination of the terms and conditions of the offering, including the merits and risks involved, or consult a financial services provider appropriately authorised under FAIS before reaching an investment decision.

Prospective investors are advised to consult appropriate professional advisors with regard to the potential tax implications of participation in the offering (if any).

#### **Notice to Residents of Spain**

The Interests may not be offered or sold in Spain except in accordance with the requirements of applicable Spanish law and the interpretations thereof by the Comisión Nacional del Mercado de Valores (the “CNMV”). This Memorandum is neither verified nor registered with the CNMV, and therefore no marketing or advertising activity, as defined by Act 35/2003, of 4 November, on collective investment schemes, with respect to the Interests will be carried out in Spain.

#### **Notice to Residents of Sweden**

This Memorandum has not been, nor will it be, registered with or approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). Accordingly, this Memorandum may not be made available, nor may interests in the Fund offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument).

Swedish investors will be offered to invest in Fund only and other fund vehicles will not be made available to Swedish investors. The AIFM has obtained, or will as and when applicable obtain, an authorisation from Finansinspektionen to market the Fund in Sweden in compliance with the Act (2013:561) on Managers of Alternative Investment Funds (Sw. lag (2013:561) om förvaltare av alternativa investeringsfonder) (the “Act”). This Memorandum will not be made available, nor will interests in the Fund offered hereunder be marketed and offered for sale, in Sweden to investors not qualifying as professional investors under the Act.

#### **Notice to Residents of Switzerland**

The Partnership has not been approved by the Swiss Financial Market Supervisory Authority (“FINMA”) as a

foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of June 23, 2006 (as further amended, "CISA"). The Interests may not be publicly offered in or from Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Memorandum has been prepared without regard to the disclosure standards for issuance of prospectuses under the CISA, Articles 35 et seq. of the Swiss Financial Services Act of June 15, 2018 (as further amended, "FinSA") or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Articles 35 et seq. of FinSA or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. The Interests may not be publicly offered in or from Switzerland and may only be offered to qualified investors as such term is defined by the CISA and/or professional investors as such term is defined in the FinSA and their respective implementing ordinances, pursuant to an exemption established by the CISA and FinSA. Neither this Memorandum nor any other offering or marketing material relating to the Partnership or the Interests may be publicly distributed or otherwise made available in or from Switzerland through a public offering within the meaning of the CISA, the FinSA and all other applicable laws and regulations in Switzerland. Neither this Memorandum nor any other offering or marketing material relating to the Partnership or the Interests have been or will be filed with, or approved by, FINMA or any other Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA and the FinSA does not extend to acquirers of the Interests.

#### **Notice to Residents of Taiwan**

The offering, distribution and resale of the Interests have not been approved by or registered with the Taiwan Financial Supervisory Commission and thus the Interests cannot be offered, distributed, privately placed or resold in Taiwan through a public offering or in circumstances which constitute an offer under the Securities and Exchange Law, Securities Investment and Consulting Act or Regulations governing offshore partnerships of Taiwan that requires such a prior approval or registration. No person or entity in Taiwan has been authorized to offer, market, sell, give advice regarding, or otherwise act as an intermediary in connection with the offering and sale of the Interests in Taiwan, the Republic of China.

#### **Notice to Residents of Thailand**

Currently, the Securities and Exchange Commission of Thailand (the "SEC of Thailand") does not permit offering or solicitation of foreign collective investment scheme of any type, except for qualifying exchange-traded funds and qualifying funds from ASEAN countries, to any type or any number of residents of Thailand. The Partnership is not any of said exceptions. No Interests in the Partnership may be advertised or offered for sale in Thailand or marketed through any means of communication to any resident of Thailand.

This Memorandum is distributed on a confidential basis to (and by unsolicited request of) the person to whom it is addressed. This Memorandum *has not been reviewed or approved by the SEC of Thailand*. It may not be reproduced in any form *or shown to the public generally* or transmitted to any person other than the person to whom it is addressed.

Transmission of this Memorandum to the person to whom it is addressed shall not constitute solicitation by the Partnership or any of its representatives or agents to invest in the Partnership.

#### **Notice to Residents of Turkey**

No information in this Memorandum is provided for the purpose of offering, marketing and sale by any means of any capital market instruments in the Republic of Turkey. Therefore, this Memorandum may not be considered as an offer made or to be made to residents of the Republic of Turkey.

An approval for the issuance/sale/delivery of the Interests has not been and will not be obtained from the Turkish Capital Market Board (the "CMB") under the provisions of the Capital Market Law (Law No. 6362). Accordingly, neither this Memorandum nor any other material may be utilized in connection with any offering within the Republic of Turkey.

without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No. 32 there is no restriction on the purchase or sale of Interests by residents of the Republic of Turkey, provided that: they purchase or sell such Interests in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks, and/or licensed brokerage firms in the Republic of Turkey.

#### **Notice to Residents of the United Arab Emirates**

The Interests offered are not regulated under the laws of the United Arab Emirates (“UAE”) relating to funds, investments or otherwise. Neither the Partnership nor this Memorandum has been reviewed or approved by the UAE Central Bank, the Securities and Commodities Authority, or any other regulatory authority in the UAE. No regulatory authority in the UAE accepts any liability for the contents of this Memorandum. This Memorandum is strictly private and confidential and is being distributed to a limited number of selected qualified investors in accordance with the laws and regulations of the UAE, including the Investment Funds Regulation (SCA Board Resolution No. 37 of 2012) (as amended). This Memorandum (a) does not constitute a public offer, or an advertisement or solicitation to the general public and (b) is intended only for the original recipients hereof to whom this Memorandum is personally provided and may not be reproduced or used for any other purpose. This Memorandum is for information purposes only. No sale of Interests or other investment products is intended to be consummated within the UAE. The Interests referred to in this Memorandum are not offered or intended to be sold directly or indirectly to the public in the UAE. The information contained in this Memorandum is not intended to lead to the conclusion of any contract of any nature within the territory of the United Arab Emirates. The placement agents, if any, are not licensed brokers, dealers, financial advisors or investment advisors under the laws applicable in the United Arab Emirates, and do not advise individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling Interests or other financial products. Nothing contained in this Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the United Arab Emirates. This Memorandum is confidential and for your information only and nothing in this Memorandum is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

#### **Notice to Residents of the United Kingdom**

This Memorandum may only be distributed and the Interests may only be offered or placed in the United Kingdom to the extent that (1) the Fund is permitted to be marketed to professional investors in the United Kingdom in accordance with the AIFMD (including the delegated and implementing acts adopted under it) as implemented, retained, amended, extended, re-enacted or otherwise given effect in the United Kingdom at the end of the transitional period agreed between the European Union and the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 and as amended or supplemented in the United Kingdom thereafter; or (2) this Memorandum may otherwise be lawfully distributed and the Interests may otherwise be lawfully offered or placed in the United Kingdom (including at the initiative of the investor).

This Memorandum may be issued in the United Kingdom by the General Partner to, and/or is directed at, only persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, including persons who are authorized under the Financial Services and Markets Act 2000 (“FSMA”), as amended, certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, or trustees of high value trusts or persons who qualify as certified sophisticated investors. The Interests are only available to such persons in the United Kingdom and this Memorandum must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must: (a) have a certificate in writing or other legible form signed by an authorized person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment; and (b) have signed, within the last twelve months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments. This Memorandum is exempt from the general restriction in Section 21 of FSMA on the communication



of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above. The content of this Memorandum has not been approved by an authorized person and such approval is, save where this Memorandum is directed at or issued to the types of person referred to above, required by Section 21 of FSMA. Acquiring Interests may expose an investor to a significant risk of losing all of the amount invested. The Fund is a limited partnership and any person who acquires Interests will not thereby be exposed to any significant risk of incurring additional liability. Any person who is in any doubt about investing in the Fund should consult an authorized person specializing in advising on such investments.

#### **Notice to Residents of Uruguay**

In Uruguay the Interests are being placed relying on a private placement exemption ("oferta privada") pursuant to Section 2 of Law Number 18,627. The Interests are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay.

The Partnership is not constituted under Law Number 16.774 and will not be registered with the Central Bank of Uruguay.

#### **Notice to Residents of Venezuela**

The Interests offered hereby may not be offered to the public in Venezuela and may not be sold or offered in Venezuela in any manner that may be construed as a public offering under Venezuelan securities market laws ("Ley de Mercado de Valores"). The Interests may be sold by means of private offer through sales that do not constitute a public offering as determined under Ley de Mercado de Valores.

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**APPENDIX B.      Prior Fund Performance**

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*The General Partner is a newly formed entity with no track record. The following are investment results for Bridge. See Section VII — “The General Partner, the Investment Manager and Management Overview” for a more detailed description of the Investment Manager and its principals and personnel.*

For a more complete summary of the performance of these funds and investments, see the performance summaries included in the appendices to each fund’s confidential private placement memorandum. Past performance is not necessarily indicative of future results, and there can be no assurance that current or future investments will achieve comparable results or that historical deal flow levels will continue.

# Bridge Combined Funds Performance Summary as of June 30, 2023

	Fund Inception	Cumulative Num. of Fund Investments	Realized Num. of Fund Investments	Fund Totals (Including LPs & GP)										Fee-Paying Investor Returns					
Closed-End Funds <sup>1</sup>	Date			Cumulative Committed Capital <sup>2</sup>	Since Inception Paid-In Capital <sup>3</sup>	Since Inception Distributions <sup>4</sup>	Remaining Fair Value (RFV) <sup>5</sup>	Total Fair Value (TFV) <sup>6</sup>	DVPI <sup>7</sup>	RVPI <sup>8</sup>	TVPI <sup>9</sup>	PIC <sup>10</sup>	Levered Gross IRR <sup>11</sup>	Levered Net IRR <sup>12</sup>	Gross Levered Multiple <sup>13</sup>	Net Levered Multiple <sup>14</sup>	Unlevered Gross IRR <sup>15</sup>	Unlevered Net IRR <sup>16</sup>	
Equity Strategies Funds																			
Multifamily																			
Bridge Multifamily I (Mar '09, Mar '12)	3/31/2009	39	39	\$ 124,220,946	\$ 120,046,948	\$ 232,812,429	\$ -	\$ 232,812,429	1.94x	0.00x	1.94x	0.97x	20.8%	15.1%	2.13x	1.76x	20.8%	15.1%	
Bridge Multifamily II (Apr '12, Mar '15)	4/3/2012	61	61	595,529,310	572,998,264	1,174,650,399	-	1,174,650,399	2.05x	0.00x	2.05x	0.96x	30.2%	23.0%	2.18x	1.84x	29.5%	22.5%	
Bridge Multifamily III (Jan '15, Jan '18)	1/7/2015	61	53	912,095,127	885,341,070	1,666,024,452	206,059,192	1,872,083,643	1.88x	0.23x	2.11x	0.97x	24.8%	18.5%	2.25x	1.89x	24.0%	18.0%	
Bridge Multifamily IV (Jun '18, Jun '21)	6/1/2018	59	2	1,589,510,000	1,502,653,231	288,725,278	2,555,697,825	2,844,423,103	0.19x	1.70x	1.89x	0.95x	27.0%	20.5%	2.03x	1.72x	26.1%	19.9%	
Bridge Multifamily V (Jul '21, to present)	7/21/2021	31	0	2,257,433,999	1,039,624,322	23,279,551	758,162,103	781,441,654	0.02x	0.73x	0.75x	0.46x	-19.2%	-25.2%	0.80x	0.75x	-16.4%	-21.8%	
Total Multifamily <sup>17</sup>		251	155	5,478,789,382	4,120,663,834	3,385,492,109	3,519,919,120	6,905,411,229	0.82x	0.85x	1.68x	0.75x	25.1%	18.1%	1.80x	1.53x	24.4%	17.6%	
Workforce and Affordable Housing																			
Bridge Workforce Housing I (Aug '17, Aug '20)	8/17/2017	28	1	619,085,000	603,778,303	96,023,732	1,074,986,445	1,171,010,177	0.16x	1.78x	1.94x	0.98x	23.3%	18.2%	2.08x	1.80x	23.2%	18.2%	
Bridge Workforce Housing II (Aug '20, to present)	8/21/2020	36	0	1,740,747,000	1,060,822,032	52,984,557	1,001,977,807	1,054,962,363	0.05x	0.94x	0.99x	0.61x	6.0%	-0.5%	1.08x	0.99x	5.8%	0.0%	
Total Workforce and Affordable Housing <sup>18</sup>		64	1	2,359,832,000	1,664,600,335	149,008,288	2,076,964,252	2,225,972,540	0.09x	1.25x	1.34x	0.71x	18.4%	12.5%	1.44x	1.28x	17.8%	12.2%	
Secondaries Funds																			
Newbury Equity Partners I (Sep '06, Dec '07)	9/18/2006	146	92	701,888,000	701,888,000	1,011,683,706	22,720,374	1,034,404,080	1.44x	0.03x	1.47x	1.00x	11.3%	8.1%	1.58x	1.41x	11.2%	8.1%	
Newbury Equity Partners II (Oct '09, Oct '10)	10/23/2009	151	99	1,024,075,000	983,112,000	1,504,330,304	106,226,919	1,610,557,223	1.53x	0.11x	1.64x	0.96x	19.9%	15.0%	1.74x	1.56x	19.8%	14.9%	
Newbury Equity Partners III (Jul '13, Mar '14)	7/19/2013	154	78	1,102,000,000	1,079,960,000	1,254,417,368	532,189,172	1,786,606,540	1.16x	0.49x	1.65x	0.98x	20.1%	15.6%	1.75x	1.57x	17.4%	13.6%	
Newbury Equity Partners IV (May '17, May '18)	5/1/2017	165	34	1,446,600,000	1,157,280,000	668,966,286	1,371,096,287	2,040,062,573	0.58x	1.18x	1.76x	0.80x	23.5%	18.3%	1.84x	1.67x	18.6%	14.8%	
Newbury Equity Partners V (Nov '19, Nov '21)	11/8/2019	134	3	2,000,000,000	1,370,000,000	134,146,024	1,609,392,015	1,743,538,039	0.10x	1.17x	1.27x	0.69x	29.0%	20.0%	1.33x	1.24x	21.1%	15.2%	
Total Secondaries Funds <sup>19</sup>		750	306	6,274,563,000	5,292,240,000	4,573,543,688	3,641,624,767	8,215,168,455	0.86x	0.69x	1.55x	0.84x	17.2%	13.4%	1.64x	1.48x	16.1%	12.5%	
Single Family																			
Morrocroft Neighborhood Fund I (Jan '13, Jan '15)	1/15/2013	1069	1069	50,620,000	50,620,000	166,072,646	-	166,072,646	3.28x	0.00x	3.28x	1.00x	17.8%	15.7%	3.43x	2.95x	17.8%	15.7%	
Morrocroft Neighborhood Fund II (Jan '15, Jan '17)	1/20/2015	1698	1698	89,645,500	89,645,500	254,263,449	-	254,263,449	2.84x	0.00x	2.84x	1.00x	20.0%	16.5%	2.98x	2.47x	20.0%	16.5%	
Morrocroft Neighborhood Fund III (Aug '19, Aug '22)	8/23/2019	396	0	34,400,000	34,400,000	-	55,808,766	55,808,766	0.00x	1.62x	1.62x	1.00x	20.6%	15.3%	1.70x	1.49x	20.6%	15.3%	
Bridge Single Family IV (Jan '22, to present)	1/21/2022	2976	1	147,105,002	140,199,752	-	190,174,432	190,174,432	0.00x	1.36x	1.36x	0.95x	32.8%	26.6%	1.37x	1.30x	27.5%	22.6%	
Total Single Family <sup>20</sup>		6139	2768	321,770,502	314,865,252	420,336,095	245,983,198	666,319,293	1.33x	0.78x	2.12x	0.98x	19.6%	16.6%	2.22x	1.94x	19.4%	16.5%	
Opportunity Zone																			
Opportunity Zone I (Apr '19, Dec '19)	4/2/2019	12	0	509,361,768	550,080,330	-	585,240,572	585,240,572	0.00x	1.06x	1.06x	1.08x	3.5%	1.6%	1.15x	1.06x	3.6%	1.7%	
Opportunity Zone II (Nov '19, Jun '20)	11/11/2019	9	0	440,645,677	469,292,955	-	465,791,919	465,791,919	0.00x	0.99x	0.99x	1.07x	1.6%	-0.2%	1.06x	0.99x	1.7%	-0.2%	
Opportunity Zone III (May '20, Jun '21)	5/18/2020	25	0	1,034,909,533	1,087,013,307	25,000,000	1,040,446,684	1,065,446,684	0.02x	0.96x	0.98x	1.05x	1.2%	-0.8%	1.03x	0.98x	1.2%	-0.8%	
Total Opportunity Zone <sup>21</sup>		46	0	1,984,916,978	2,106,386,592	25,000,000	2,091,479,175	2,116,479,175	0.01x	0.99x	1.00x	1.06x	2.1%	0.1%	1.07x	1.00x	2.1%	0.2%	
Office																			
Bridge Office I (Jul '17, Jul '20)	7/20/2017	33	10	572,806,803	563,262,667	75,751,643	227,958,615	303,710,259	0.13x	0.40x	0.54x	0.98x	-12.1%	-15.3%	0.62x	0.54x	-11.8%	-14.9%	
Bridge Office II (Dec '19, Dec '22)	12/13/2019	9	0	207,825,000	199,512,000	22,579,127	207,538,036	230,117,163	0.11x	1.04x	1.15x	0.96x	8.2%	5.7%	1.21x	1.14x	7.8%	5.7%	
Total Office <sup>22</sup>		42	10	780,631,803	762,774,667	98,330,770	435,496,652	533,827,422	0.13x	0.57x	0.70x	0.98x	-7.9%	-10.8%	0.76x	0.67x	-7.2%	-10.1%	
Seniors Housing																			
Bridge Seniors I (Jan '14, Jan '18)	1/13/2014	57	23	578,376,500	550,781,142	86,184,396	428,878,555	515,062,951	0.16x	0.78x	0.94x	0.95x	1.5%	-1.1%	1.10x	0.93x	1.6%	-0.9%	
Bridge Seniors II (Mar '17, Mar '20)	3/24/2017	54	9	820,493,000	761,683,854	166,340,552	694,991,369	861,331,921	0.22x	0.91x	1.13x	0.93x	6.1%	3.2%	1.27x	1.13x	6.1%	3.2%	
Bridge Seniors III (Nov '20, to present)	11/20/2020	2	0	47,700,000	29,394,932	1,836,510	31,504,407	33,340,917	0.06x	1.07x	1.13x	0.62x	8.4%	5.5%	1.20x	1.12x	8.1%	5.3%	
Total Seniors Housing <sup>23</sup>		113	32	1,446,569,500	1,341,859,928	254,361,458	1,155,374,331	1,409,735,789	0.19x	0.86x	1.05x	0.93x	3.6%	1.0%	1.20x	1.05x	3.6%	1.1%	
Logistics Value																			
Bridge Logistics Value I (Nov '21, to present)	11/24/2021	30	0	335,920,000	293,956,493	-	258,025,623	258,025,623	0.00x	1.02x	1.02x	0.76x	2.3%	1.2%	1.03x	1.02x	3.3%	2.5%	
Total Logistics Value <sup>24</sup>		30	0	335,920,000	293,956,493	-	258,025,623	258,025,623	0.00x	1.02x	1.02x	0.76x	2.3%	1.2%	1.03x	1.02x	3.3%	2.5%	
Debt Strategies Funds																			
Bridge Debt I (Sep '14, Sep '17)	9/17/2014	22	22	131,615,596	127,649,800	156,230,702	-	156,230,702	1.22x	0.00x	1.22x	0.97x	8.2%	5.9%	1.28x	1.20x	8.2%	5.9%	
Bridge Debt II (Jul '16, Jul '19)	7/14/2016	146	126	1,002,000,539	990,841,135	1,085,201,057	289,415,214	1,374,616,271	1.10x	0.29x	1.39x	0.99x	10.8%	8.7%	1.46x	1.36x	10.8%	8.6%	
Bridge Debt III (May '18, May '21)	5/25/2018	315	261	1,623,605,000	1,542,424,750	1,084,643,170	963,062,893	2,047,708,063	0.70x	0.62x	1.33x	0.95x	11.2%	9.0%	1.38x	1.30x	11.0%	8.9%	
Bridge Debt IV (Nov '20, to present)	11/23/2020	281	177	2,888,097,000	2,801,454,090	233,705,373	2,844,610,708	3,078,516,082	0.08x	1.02x	1.10x	0.97x	9.5%	8.0%	1.11x	1.10x	8.5%	7.2%	
Total Debt Strategies Funds <sup>25</sup>		764	586	5,645,318,135	5,462,369,775	2,559,780,302	4,097,288,815	6,657,069,118	0.47x	0.75x	1.22x	0.97x	10.6%	8.5%	1.25x	1.20x	10.2%	8.3%	

(Footnotes on following page)

## Bridge Combined Funds Performance Summary as of June 30, 2023

### Footnotes:

\* Other than the Levered Net IRR and Unlevered Net IRR numbers presented herein, the information included here is different from that which is presented in public filings due to fund level expenses, reserves and reinvested capital.

1. Closed-End Funds represented herein does not include performance for (i) Opportunity Zone funds as such funds are invested in active development projects and have minimal stabilized assets, or (ii) our open-ended funds. Each fund identified contemplates all associated parallel and feeder limited partnerships in which investors subscribe and accordingly share common management. All intercompany accounts and transactions have been eliminated in the combined presentation. Values and performance presented herein are the combined investor returns gross of any applicable legal entity taxes. No performance presented herein has been reviewed or approved by the United States Securities and Exchange Commission.

2. Cumulative Committed Capital represents total capital commitments to the fund (excluding joint ventures or separately managed accounts).

3. Since Inception Paid-In Capital represents the total contributions or drawn down commitments from all investors since inception. This figure will differ from Cumulative Investment Invested Capital which is otherwise defined as total cost of investments since inception (including any recycling or refinancing of investments).

4. Since Inception Distributions represents net cash proceeds distributed to all investors, including current income (net of expenses) and disposition proceeds gross of carried interest.

5. Remaining Fair Value (RFV) is the estimated liquidation value to all investors, which includes investment values that are generally based upon appraisals, contracts and internal estimates. There can be no assurance that Remaining Fair Value will be realized at valuations shown, and realized values will depend on numerous factors including, among others, future asset-level operating results, asset values and market conditions at the time of disposition, transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the Remaining Fair Value are based. Direct fund investments in real property are held at cost minus transaction expenses for the first six months.

6. Total Fair Value (TFV) represents the sum of Since Inception Distributions and Remaining Fair Value.

7. Distributed Value to Paid-In (DVPI) Multiple represents Since Inception Distributions divided by Since Inception Paid-In Capital gross of carried interest.

8. Residual Value to Paid-In (RVPI) Multiple represents Remaining Fair Value divided by Since Inception Paid-In Capital gross of carried interest.

9. Total Value to Paid-In (TVPI) Multiple represents Total Fair Value divided by Since Inception Paid-In Capital gross of carried interest.

10. Paid-In to Commitment (PIC) Multiple represents Since Inception Paid-In Capital divided by Cumulative Committed Capital.

11. Levered Gross IRR is an annualized realized and unrealized fund-level internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions) and cash outflows (distributions) and the remaining fair value, gross of management fees and carried interest. Because IRRs are time-weighted calculations, for funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.

12. Levered Net IRR is an annualized realized and unrealized internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions) and cash outflows (distributions) and the remaining fair value, net of the investors actual management fees, fund level expenses, and carried interest. Net return information reflects aggregated fund-level returns for fee-paying investors using actual management fees paid by the fund. The actual management fee rates from individual investors will be higher and lower than the actual aggregate fund level rate. This return may differ from actual investor level returns due to timing, variance in fees paid by investors, and other investor-specific investment costs such as taxes. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.

13. Gross Levered Multiple is the fee-paying investors total fair value divided by the fee-paying investors since inception paid-in capital gross of management fees and carried interest.

14. Net Levered Multiple is the fee-paying investors total fair value divided by the fee-paying investors since inception paid-in capital net of management fees, fund level expenses and carried interest.

15. Unlevered Gross IRR is an annualized realized and unrealized fund-level internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions and drawdowns on fund lines of credit) and cash outflows (distributions and repayments on fund lines of credit) and the remaining fair value (after removing outstanding balances on fund lines of credit), gross of management fees, and carried interest. Because IRRs are time-weighted calculations, for funds with short measurement periods, this IRR may be amplified by early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.

16. Unlevered Net IRR is an annualized realized and unrealized internal rate of return to fee-paying fund investors, computed from inception based on the effective dates of cash inflows (capital contributions and drawdowns on fund lines of credit) and cash outflows (distributions and repayments on fund lines of credit) and the remaining fair value (after removing outstanding balances on fund lines of credit), net of the investors actual management fees, fund level expenses, and carried interest. Net return information reflects aggregated fund-level returns for fee-paying investors using actual management fees paid by the fund. The actual management fee rates from individual investors will be higher and lower than the actual aggregate fund level rate. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, this IRR may be amplified by early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.

17. The management fee used in calculation of these net returns was 1.63%, while the investors within the underlying funds paid management fees ranging from 1.00% to 2.50%.

18. The management fee used in calculation of these net returns was 1.63%, while investors within the underlying funds paid management fees ranging from 1.15% to 2.50%.

19. The management fee used in calculation of these net returns was 1.00%, while investors within the underlying funds paid management fees ranging from 0.54% to 1.50%.

20. The management fee used in calculation of these net returns was 1.83%, while investors within the underlying funds paid management fees ranging from 1.00% to 2.50%.

21. The management fee used in calculation of these net returns was 1.87%, while investors within the underlying funds paid management fees ranging from 1.00% to 2.00%.

22. The management fee used in calculation of these net returns was 1.77%, while investors within the underlying funds paid management fees ranging from 1.25% to 2.50%.

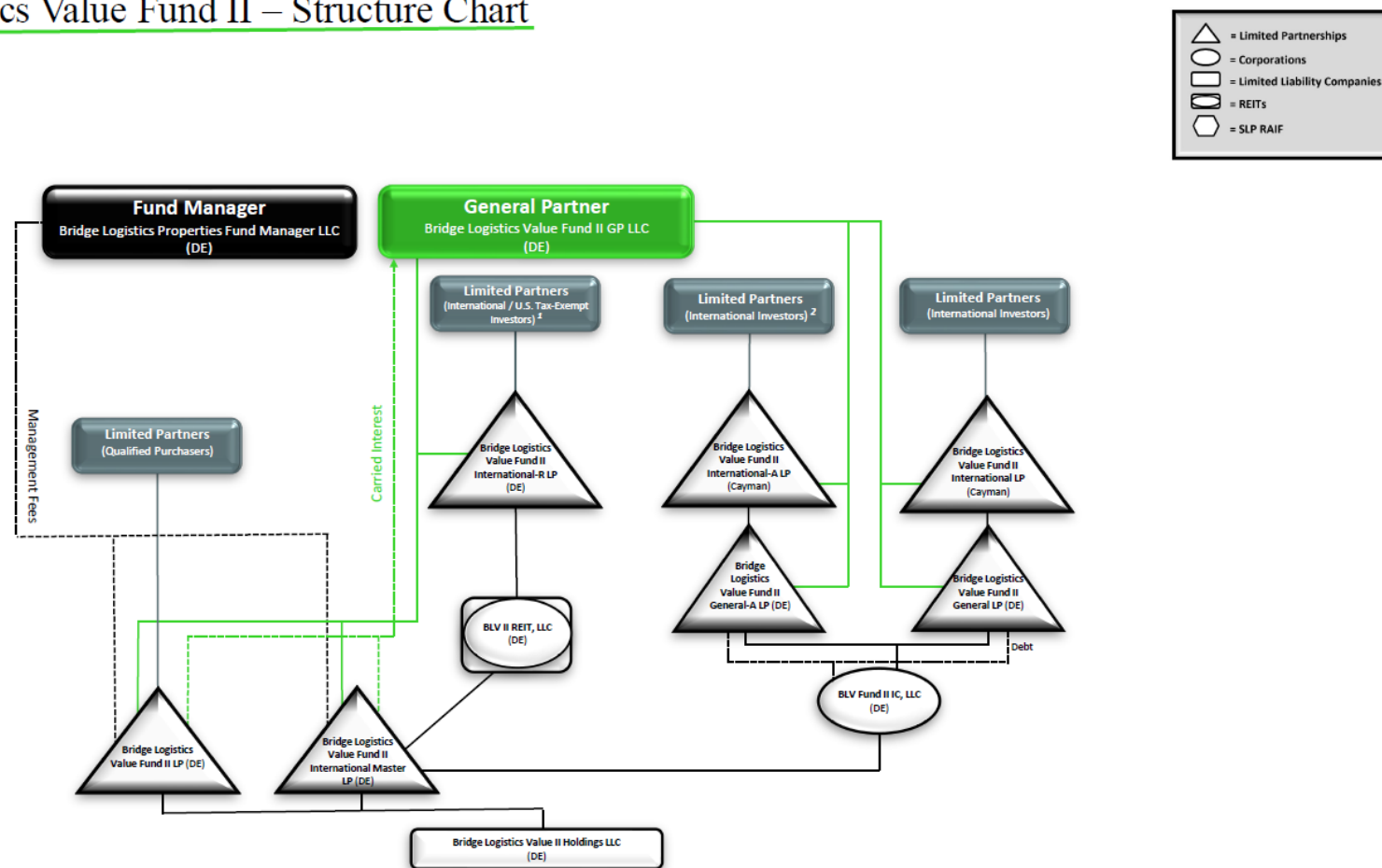
23. The management fee used in calculation of these net returns was 1.79%, while investors within the underlying funds paid management fees ranging from 1.00% to 2.50%.

24. The management fee used in calculation of these net returns was 0.85%, while investors within the underlying funds paid management fees ranging from 0.85% to 0.85%.

25. The management fee used in calculation of these net returns for debt strategies funds was 1.33% on committed capital and 0.82% on invested capital, while investors within the underlying funds paid management fees ranging from 0.60% to 1.9%.

Any composite returns presented herein do not represent actual returns received by any one investor and are for illustrative purposes only. Composite performance is based on actual cash flows of the funds within a strategy over the applicable timeframes and are prepared using certain assumptions. Each fund has varied investment periods and investments were made during different market environments; past performance of prior funds within a strategy is not a guarantee of future results. Fund investors generally pay fees based on a defined percentage of total commitments during the investment period and invested capital thereafter, but some fund investors may pay fees based on invested capital for the life of the fund according to the applicable governing documents. Additional information on the calculation of this composite performance, including applicable assumptions and supporting data, can be made available promptly upon request.

## Bridge Logistics Value Fund II – Structure Chart



<sup>1</sup>: for international investors not concerned about U.S. tax filing obligations.

<sup>2</sup>: for international investors requiring an offshore blocker for U.S. taxes

APPENDIX D. Investment Performance— Bridge Logistics Value Fund I

Combined Funds Performance Summary

November 24, 2021 through June 30, 2023

Investment	Location	Valuation Method <sup>1</sup>	Date Acquired	Date Sold	Return Multiple <sup>2</sup>	Net Return Multiple <sup>3</sup>	IRR <sup>3</sup>	Net IRR <sup>4</sup>	Total Equity Investment	Investment at Cost	Realized Proceeds <sup>5</sup>	Remaining Fair Value <sup>6</sup>	Total Fair Value <sup>7</sup>	Total Gain / (Loss)
Logistics Investments														
10808 6th St	Rancho Cucamonga, CA	D	Nov-21	-	1.97x	1.90x	40.6%	12.7%	16,141,725	16,141,725	-	31,867,920	31,867,920	15,726,195
130 Constitution Blvd	Franklin, MA	D	Dec-21	-	1.17x	1.13x	8.2%	2.6%	3,663,231	3,663,231	-	4,281,857	4,281,857	618,626
4525 Airline Dr	Houston, TX	D	Dec-21	-	0.52x	0.50x	-27.9%	-47.1%	1,692,376	1,692,376	-	883,042	883,042	(809,334)
12400 Industry St	Garden Grove, CA	D	Dec-21	-	2.16x	2.08x	52.2%	16.3%	6,338,586	6,338,586	-	13,678,546	13,678,546	7,339,960
22604 58th Place S	Kent, WA	D	Dec-21	-	1.16x	1.12x	9.3%	2.9%	1,396,339	1,396,339	-	1,625,956	1,625,956	229,617
10623 Fulton Wells Avenue	Santa Fe Springs, CA	D	Dec-21	-	0.93x	0.89x	-3.8%	-6.5%	10,772,532	10,772,532	-	9,968,358	9,968,358	(804,174)
10701 NW 107th Court	Medley, FL	D	Jan-22	-	1.44x	1.39x	18.9%	5.9%	1,102,808	1,102,808	-	1,586,350	1,586,350	483,542
301 Hollywood Ave	South Plainfield, NJ	D	Jan-22	-	1.64x	1.59x	25.0%	7.8%	1,868,185	1,868,185	-	3,071,336	3,071,336	1,203,151
1471 West Hillsboro Blvd	Deerfield Beach, FL	D	Jan-22	-	0.92x	0.88x	-4.2%	-7.1%	5,422,920	5,422,920	-	4,975,821	4,975,821	(447,099)
Patterson Avenue	Perris, CA	F	Feb-22	-	0.98x	0.94x	-1.7%	-2.9%	8,531,844	8,531,844	-	8,339,180	8,339,180	(192,664)
10629 Norwalk Blvd	Santa Fe Springs, CA	D	Mar-22	-	0.81x	0.78x	-9.5%	-16.1%	9,080,687	9,080,687	-	7,317,670	7,317,670	(1,763,017)
250 Circle Drive N	Piscataway, NJ	D	Mar-22	-	0.71x	0.69x	-19.2%	-32.4%	6,915,974	6,915,974	-	4,929,367	4,929,367	(1,986,607)
2851 Evans Street	Hollywood, FL	D	Apr-22	-	1.07x	1.03x	4.1%	1.3%	1,742,329	1,742,329	-	1,866,089	1,866,089	123,760
355 Crooked Hill Road	Brentwood, NY	D	May-22	-	0.60x	0.57x	-29.9%	-50.5%	5,949,877	5,949,877	-	3,545,669	3,545,669	(2,404,208)
2650 South Willow Avenue	Bloomington, CA	D	May-22	-	1.36x	1.31x	17.4%	5.4%	34,364,954	34,364,954	-	46,723,093	46,723,093	12,358,139
5 Park Drive	Melville, NY	D	May-22	-	0.56x	0.54x	-35.3%	-59.6%	6,173,515	6,173,515	-	3,482,581	3,482,581	(2,690,934)
1910 E Dominguez Street	Carson, CA	D	May-22	-	1.32x	1.28x	16.2%	5.1%	5,128,443	5,128,443	-	6,787,488	6,787,488	1,659,045
22360 Goldencrest Drive	Moreno Valley, CA	D	Jun-22	-	0.90x	0.87x	-6.5%	-10.9%	16,305,126	16,305,126	-	14,729,610	14,729,610	(1,575,516)
1525 and 1607 45th St E	Sumner, WA	D	Jun-22	-	0.97x	0.93x	-3.1%	-5.2%	4,101,102	4,101,102	-	3,965,862	3,965,862	(135,240)
3301 & 3351 Tremley Point Road	Linden, NJ	D	Jul-22	-	0.75x	0.73x	-25.5%	-43.0%	42,297,592	42,297,592	-	31,917,518	31,917,518	(10,380,074)
8201 NW 56th Street	Miami, FL	D	Aug-22	-	1.26x	1.21x	16.3%	5.1%	2,617,716	2,617,716	-	3,292,481	3,292,481	674,765
GSW Parkway	Grand Prairie, TX	F	Aug-22	-	0.97x	0.93x	-3.5%	-5.9%	13,107,411	13,107,411	-	12,653,738	12,653,738	(453,673)
804 W Shady Grove Road	Grand Prairie, TX	D	Sep-22	-	0.78x	0.75x	-17.1%	-28.9%	16,387,388	16,387,388	-	12,704,508	12,704,508	(3,682,880)
299 Beltway Green Blvd	Pasadena, TX	D	Oct-22	-	0.97x	0.94x	-1.7%	-2.9%	7,701,472	7,701,472	-	7,482,353	7,482,353	(219,119)
26601-26609 79th Avenue South	Kent, WA	D	Oct-22	-	1.27x	1.22x	16.8%	5.3%	4,839,356	4,839,356	-	6,132,517	6,132,517	1,293,161
13984 Orange Avenue	Paramount, CA	D	Nov-22	-	1.09x	1.05x	6.4%	2.0%	8,857,857	8,857,857	-	9,666,523	9,666,523	808,666
3200 Earhart Drive	Carrollton, TX	D	Dec-22	-	1.28x	1.24x	15.7%	4.9%	3,659,051	3,659,051	-	4,690,474	4,690,474	1,031,423
290 SW 14th Avenue	Pompano Beach, FL	F	Feb-23	-	0.85x	0.82x	NM	NM	2,591,877	2,591,877	-	2,213,649	2,213,649	(378,228)
280 E. Corporate Drive	Lewisville, TX	D	Feb-23	-	1.15x	1.11x	NM	NM	11,371,657	11,371,657	-	13,036,436	13,036,436	1,664,779
5 Plant Road	Hasbrouck Heights, NJ	F	Apr-23	-	0.91x	0.87x	NM	NM	24,108,869	24,108,869	-	21,862,553	21,862,553	(2,246,316)
Total Logistics Investments					1.05x	1.02x	4.0%	1.2%	284,232,799	284,232,799	-	299,278,545	299,278,545	15,045,746
Fund Return Summary (Since Inception)		Gross Current Income Yield <sup>8</sup>	Net Current Income Yield <sup>9</sup>	DVP <sup>10</sup>	RVPI <sup>11</sup>	TVPI <sup>12</sup>	PIC <sup>13</sup>		Paid in Capital <sup>14</sup>	Unreturned Capital	Distributions <sup>15</sup>	Remaining Fair Value <sup>16</sup>	Total Fair Value <sup>17</sup>	Net Results From Operations
		N/A	N/A	0.00x	1.02x	1.02x	0.76x		253,956,493	253,956,493	-	258,025,623	258,025,623	4,069,130
Highest Fee-Paying Investor Return Summary <sup>18</sup> (management fee rate: 0.85%) <sup>19</sup> (IRRs)									Levered Gross of Fees	Unlevered Gross of Fees	Levered Gross of Carry	Unlevered Gross of Carry	Levered Net	Unlevered Net
									2.0%	2.9%	1.1%	2.2%	1.1%	2.2%
Fee-Paying Investor Return Summary <sup>18</sup> (management fee rate: 0.85% on committed capital) <sup>19</sup> (IRRs)									Levered Gross of Fees	Unlevered Gross of Fees	Levered Gross of Carry	Unlevered Gross of Carry	Levered Net	Unlevered Net
									2.3%	3.3%	1.2%	2.5%	1.2%	2.5%

Report Specific Notes:

\* This report summarizes the investment performance for the Bridge Logistics US Venture I LP (referred to in this report as the "Logistics US Venture I Fund") with commitments totaling \$335,920,000.

(Continued on next page)



General Notes:

Valuation Method Key:

Individual investor returns may vary due to different management fee rates, timing of investor subscriptions, contributions and distributions, and any entity level taxes specific to certain vehicles.

1. See Valuation Method Key (to the right).
2. Return Multiple is Total Fair Value divided by Total Equity Investment. These are investment-level calculations and are gross of fund-level fees and expenses.
3. IRR calculations are based on actual daily cash flows plus Remaining Fair Values. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM"). IRR's which cannot be calculated using the xIRR function are denoted with a ("-"). In these instances, the Return Multiple can be referenced for investment performance. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized representing such period's return. These IRR calculations are investment-level returns and are gross of fund-level fees and expenses. Please see the Fee-Paying Investor Return Summary (IRRs) for IRR calculations that reflect fund-level fees and expenses.
4. Investment-level gross returns are gross of fund-level fees and expenses, including but not limited to management fees, carried interest, fund-level taxes or other fund-level expenses and transaction costs, which could be material and would reduce such returns. For all funds, other than Opportunity Zone funds, fund-level fees and expenses are not allocated to individual investments, so the investment-level Net Return Multiple and Net IRRs presented herein are derived using the spread between gross and net fund-level returns in the respective fund's performance summary as of the reporting date as a discount factor for the investment-level IRRs. For Opportunity Zone funds, because all investments are development deals, fund-level expenses are allocated to each investment at the discretion of Bridge.
5. Realized Proceeds represent net cash proceeds received from investments.
6. Remaining Fair Value represents estimations of fair value including assets and liabilities as of the date of this report in accordance with applicable valuation policies. There can be no assurance that investments with remaining fair value will be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition. Consistent with Bridge's valuation policy, fund investments in real property are generally held at cost minus transaction expenses for the first six months unless market conditions suggests there has been a material change in fair value.
7. Total Fair Value (Investments) represents the sum of Realized Proceeds and Remaining Fair Value.
8. Gross Current Income Yield represents since inception current income distributions divided by since inception Paid-In Capital (time weighted and annualized) gross of fees, expenses, and carried interest.
9. Net Current Income Yield represents since inception current income distributions divided by since inception Paid-In Capital (time weighted and annualized) net of fees, expenses, and carried interest.
10. Distributed Value to Paid-In (DVPI) Multiple represents Distributions divided by Paid-In Capital gross of carried interest.
11. Residual Value to Paid-In (RVPI) Multiple represents Remaining Fair Value divided by Paid-In Capital gross of carried interest.
12. Total Value to Paid-In (TVPI) Multiple represents Total Fair Value divided by Paid-In Capital gross of carried interest.
13. Paid-In to Commitment (PIC) Multiple represents Paid-In Capital divided by Total Commitments. Total Commitments are disclosed in the Report Specific Notes section of this Combined Funds Performance Summary.
14. Paid-In Capital represents the total contributions from all investors since inception. This figure will differ from Total Equity Investment which represents the total cost of investments since inception (including any recycling or refinancing of investments).
15. Distributions represent since inception net cash proceeds distributed to all investors.
16. Remaining Fair Value represents the Net Asset Value (Partners' Capital balance) for all investors as of the reporting date.
17. Total Fair Value (fund-level) represents the sum of Distributions and Net Asset Value.
18. Highest Fee-Paying Investor Returns and Fee-Paying Investor Returns are annualized realized and unrealized internal rates of return. The Highest Fee-Paying Investor Return represents a single investor paying the highest fee terms in the fund. The Fee-Paying Investor Return is a fund-level return computed using actual fees paid by all fee-paying fund investors. Both returns are computed from inception based on the effective dates of cash inflows, cash outflows, and the Net Asset Value, net of fund level expenses.  
For levered returns, cash inflows represent capital contributions and cash outflows represent distributions. For unlevered returns, cash inflows represent capital contributions and drawdowns on fund lines of credit and cash outflows represent distributions and repayments on fund lines of credit (all amounts, including the Net Asset Value, are gross of fund level leverage expenses).

- A "Realized" - Investment has been sold. Any Remaining Fair Value shown represents net assets held for unidentified liabilities and/or undistributed proceeds.
- B "Under Contract" - Investment is under contract to be sold. Value represents net present value of contracted price less estimated transaction costs. These transactions are subject to various contingencies and there can be no assurance that they will be consummated at the contracted price.
- C "Third-Party" - Value from recent third-party valuation source.
- D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
- E "UPB" - Unpaid loan balance including principal and accrued interest.
- F "Cost" - Acquisition basis net of transaction costs.
- G "Estimate" - Internal management estimate.
- H "Unrealized Value" - The aggregate value of the portfolio of underlying investments. Each underlying investment may use one of the above valuation methodologies to approximate fair value, as determined by the valuation committee.
- I "IRR" - Internal Rate of Return

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The Gross of Fees returns are gross of management fees and carried interest. The Gross of Carry returns are net of actual management fees and gross of carried interest. The Net returns are net of actual management fees and carried interest.

These returns may differ from actual investor level returns due to timing, variance in fees paid by investors, and other investor-specific investment costs such as taxes. In funds with negative rates of return, the proportion of cash flows used for each date for the IRR calculations (related to investor rebalances) in the Highest Fee-Paying Investor Returns and the Fee-Paying Investor Returns may result in the Highest Fee-Paying Investor Returns being higher than the Fee-Paying Investor Returns. Because IRRs are time-weighted calculations, for newer funds with short measurement periods, IRRs may be amplified by fund leverage and early fund expenses and may not be meaningful. For IRRs calculated with an initial date less than one year from the reporting date, the IRR presented is de-annualized, representing such period's return.

19. The management fee rate as determined by Bridge. The actual management fee rates for individual investors may be higher or lower than the aggregate fund level rates.

The investment performance information set forth above is presented solely for illustrative purposes and is not intended to predict or guarantee the investment performance of any fund or any other investment program. Additional information on the calculation of this performance information can be made available promptly upon request. No performance information contained herein has been reviewed or approved by the U.S. Securities and Exchange Commission or any other regulatory body.