

WALKER & DUNLOP

INVESTMENT PARTNERS

**Part 2A of Form ADV
Firm Brochure
Item 1-Cover Sheet**

March 29, 2024

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This Brochure provides information about the qualifications and business practices of Walker & Dunlop Investment Partners, Inc. (“WDIP”). If you have any questions about the contents of this brochure, please contact us at the telephone number and/or email address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. WDIP’s CRD/IARD # is 165022.

Additional information about WDIP also is available on the SEC’s website at www.adviserinfo.sec.gov.

WDIP is a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Material Changes

Since the last annual amendment brochure filed on March 30, 2023, Walker & Dunlop Investment Partners, Inc. (“WDIP”) updated the format of this ADV Part 2 brochure (“Brochure”) to reflect our evolving investment advisory business and client base.

We routinely make changes throughout our Brochure as our advisory and non-advisory debt platform grows. In this annual update, we have made significant changes throughout our Brochure to describe our advisory and non-advisory investment platforms in more detail with a focus on our growing debt investment platform investment strategies and structures.

Specifically, we materially updated:

- Item 4: to describe our advisory and non-advisory investment platforms in more detail with a focus on our growing debt investment platform investment strategies and structures and address additional conflicts of interest, including those related to Side Letters;
- Item 5: to more specifically describe our fee structures;
- Item 6: to describe changes related to side-by-side management of our investment platforms;
- Item 7: to more specifically describe the types of clients we serve;
- Item 8: to focus on our growing debt platform investment platform analysis methodologies and strategies; and
- Item 11: to include additional conflicts of interest sections to reflect the current risk environment.

Item 3 Table of Contents

Item 2	Material Changes	2
Item 4	Advisory Business	4
Item 5	Fees and Compensation.....	7
Item 6	Performance-Based Fees and Side-By-Side Management	13
Item 7	Types of Clients	15
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	16
Item 9	Disciplinary Information	42
Item 10	Other Financial Industry Activities and Affiliations	42
Item 11	Code of Ethics, Participation in Client Transactions and Personal Trading and Conflicts of Interest.....	43
Item 12	Brokerage Practices	48
Item 13	Review of Accounts	49
Item 14	Client Referrals and Other Compensation	49
Item 15	Custody	49
Item 16	Investment Discretion.....	50
Item 17	Voting Client Securities.....	50
Item 18	Financial Information.....	50

Item 4 Advisory Business

Firm Description

Walker & Dunlop Investment Partners, Inc. (referred to herein as the “Advisor”, “WDIP” or the “Firm”) formerly as JCR Capital Investment Corporation (“JCR Capital”), was founded in 2008. WDIP is a wholly owned subsidiary of an affiliate of Walker & Dunlop, Inc. (“W&D”), a publicly held corporation. When we use the term “we”, “us” and “our” in this Brochure, we are referring to WDIP as the investment advisor (“Advisor”), as well as any entities that are directly or indirectly under our control (collectively, “Affiliates”), some of which serve as the general partner or managing member (“General Partner”) of a Client (defined below).

We provide equity and debt capital solutions across property sectors and the risk spectrum. Our equity real estate platform focuses investments ranging from light value-add and stabilized investments to opportunistic investments in periods of market dislocation deploying strategies that focus on value creation and income generation through the acquisition development, improvement, strategic oversight, ownership, management, and timely exit from commercial real estate investments. Our commercial real estate debt platform provides customized capital solutions for real estate owners and developers. Our focus targets commercial real estate sectors, including, but not limited to, industrial/logistics, multi-family and other housing, and select retail properties. We also arrange, originate, manage, fund, and invest and co-invest in commercial mortgage loans. See Item 8 below for a description of our investment strategies and methodology.

Our investment vehicles are typically structured as closed-end or open-end private funds and separate joint venture accounts that hold real estate and related assets and commercial senior bridge, permanent and mezzanine loans (each an “Investment” and collectively, “Investments”) directly and through holding vehicles or other tax efficient structures such as limited partnerships, limited liability companies, private real estate investment trusts (“REITs”) and joint venture companies. We also advise certain Clients on Investments in investment vehicles owned directly and indirectly by entities owned by WDIP’s parent company, Walker & Dunlop, Inc. (“W&D”) (such entities, along with W&D, its subsidiaries and their employees, are referred to as “Related Entities”).

Firm Ownership and Management

WDIP is a wholly owned subsidiary of Walker & Dunlop Investment Management, LLC, a wholly owned affiliate of Walker & Dunlop, Inc. (“W&D”). Mitchell Resnick serves as WDIP’s President and is a member of the WDIP Management Committee; Marcus Duley serves as Chief Investment Officer of WDIP and is a member of the WDIP Management Committee; Geoff Smith serves and Head of Debt for the Firm; Ryan Castle serves as Divisional Chief Operating Officer of WDIP and is a member of the WDIP Management Committee; Arielle Dahlgren serves as Divisional Chief Financial Officer and Treasurer of WDIP; and Stephen Erwin serves as Chief Compliance Officer and corporate Secretary.

As part of the Firm’s executive succession plan, the founders of JCR Capital will transition to a sub-advisory role and will continue to lead and manage the legacy JCR Capital branded funds (“JCR Capital Funds”) and continue as members of the JCR Capital Funds investment committee. The JCR Capital Funds are all in the harvesting phase.

Assets Under Management

As of 12/31/2023, WDIP had approximately \$6.3 billion in assets under management (“AUM”) on a gross basis and \$1.57 billion in AUM on a net basis (also referred to as regulatory assets under management or “RAUM”). Approximately \$966 million of RAUM is managed on a discretionary

basis, and \$603 million is managed on a non-discretionary basis. We define and represent “Gross AUM” in marketing materials as the outstanding total capitalization of all equity investments made and managed through WDIP funds, co-investments and joint ventures, plus senior debt originated and managed/serviced (both on an advisory and non-advisory basis) through WDIP joint ventures and separately managed accounts.

Advisory Services

WDIP serves as the investment manager of:

- Real estate-related investment funds exempt from registration under the Investment Company Act, including pooled investment funds and REITs, together with any related feeder funds and parallel funds (each a “Fund” and collectively, the “Funds”);
- Separately managed account mandates, including joint venture companies (collectively, “Separate Accounts”, and individually, a “Separate Account”);
- Co-invest vehicles for facilitating co-investment with a Fund or Separate Account in an Investment (“Co-Invest Entities”); and
- Special purpose entities for making Investments, including limited partnerships or similar vehicles that are comprised of one of more investors, but which are not organized as Funds (“SPV Entities”).

Funds, Co-Invest Entities, Separate Accounts and SPV entities are collectively the “Clients” and each individually a “Client” of the Firm. Interests in Clients are offered to limited partners, joint venture partners or other investors (“Investors”) who must meet certain eligibility requirements. Individual Investors are not considered Clients of the Firm.

In addition, WDIP has and may, in its sole discretion, formed or form one or more parallel vehicles for investors having any particular set of legal, tax, regulatory or other considerations including modification of the parallel vehicle’s investment period with respect to the main fund vehicle, and, if any such additional parallel vehicle is formed, WDIP may or may not retain sole discretion to cause any such additional parallel vehicle to invest directly or indirectly through REITs. Such parallel vehicles may also begin investing prior to the related Funds in which case such investments will be owned solely by such parallel vehicles. WDIP may earn all, or a share fees, such as origination fees, in lieu of or in addition to Management Fees charged to a parallel fund.

WDIP directs and manages each Client’s Investments by providing the following types of services:

Identifying and analyzing equity and debt sponsors and Investment opportunities;

- Making commercial real estate equity and debt Investment recommendations and decisions;
- Negotiating the terms of Investments;
- Providing asset management services and monitoring Investments, including monitoring loan servicing and sub-servicing services provided through Affiliates;
- Achieving dispositions of Investments;

- Providing private commercial finance services including originating real estate loans; and
- Providing other related services in connection with the implementation of the Investment program of each Client.

Our equity platform Clients typically target “middle market opportunities” generally defined as properties valued less than \$100 million, while our debt platform Clients provide senior bridge, permanent and mezzanine loans for middle market and higher valued properties. Our advice includes various facets of investing in the equity or debt of an Investment and recommendations as to the structure of the real estate and related asset holdings. Investment advice is provided directly to each Client and not individually to its Investors unless otherwise required in the Governing Documents. Client Investment objectives are described in the applicable private placement memoranda, limited partnership agreements, investment advisory agreements, subscription agreements, joint venture operating agreements, shared services agreements and other governing documents of the relevant Client (collectively, along with Side Letters as defined below (the “Governing Documents”).

While some Investors in a Fund seek side letters or similar agreements that confer additional benefits (“Side Letters”), Fund Investors cannot impose restrictions on a Fund investing in certain Investments unless such restrictions are set forth in the Governing Documents. Some Separate Account Clients are managed on a non-discretionary or joint discretionary basis where the Investor(s) determines whether to execute on our Investment recommendation.

WDIP has entered into Side Letters with certain Investors, including those who make substantial commitments of capital or are early-stage Investors in a Client, or for other reasons in the Firm’s sole discretion. Side Letters have the effect of establishing rights under, or altering or supplementing, a Client’s other Governing Documents. Side Letter rights typically include special economic rights such as reduced management, performance and other fees, Management fee deferrals, modified waterfall mechanics, notification provisions, priority co-investment rights or targeted co-investment amounts, regulatory considerations of specific Investors, opt out rights, supplemental reporting and information, rights to serve on a Fund’s advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modifications of default remedies, investment pacing restrictions and “most favored nations” provisions. These Side Letter rights, benefits or privileges are not typically made available to all Investors in the same Client, nor are they, consistent with general market practice, always required to be disclosed to all Investors in such Client. Side letters are typically negotiated prior to the relevant Investor’s commitment to a Client. There can be no assurance that the Side Letter rights granted to one or more Investors will not in certain cases disadvantage other Investors.

WDIP is likely to have its own economic and/or other business incentives to provide certain terms to select Investors, e.g., based on commitment amounts to a Fund or the timing of such commitments; the ability of an Investor to provide sourcing or other services to the Firm; or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to WDIP, its Affiliates and personnel, or other Clients. Further, Side Letters may also relate to strategic relationships under which an Investor agrees to make commitments to multiple Clients or Funds. Except where required by Governing Documents, other Investors will not receive copies of Side Letters or related provisions, and as a general matter, the other Investors have no recourse against a Fund, WDIP, the relevant General Partner or any of their Affiliates in the event that certain Investors have received additional and/or different rights and/or terms as a result of such Side Letters.

Side Letters subject WDIP to potential conflicts of interest, including in circumstances where an Investor’s right to serve on the relevant Fund’s advisory committee results in the Investor receiving additional information relative to other Investors. To the extent an Investor is subject to statutory or

other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Investor at the expense of the relevant Fund or of Investors as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

In addition to side-by-side investment programs defined below, WDIP may offer opportunities to invest in Investments alongside its Clients (the “Co-investment Opportunities”) to certain investors or other persons on such terms and conditions at the discretion of WDIP and form a separate investment vehicle for the purpose of investing in one or more Co-investment Opportunities (the “Co-investment Vehicle”). WDIP may also from time-to-time form single-investor or pooled investment vehicles to invest alongside a Fund or Separate Account (“Co-Investment Entities”). WDIP also offers co-investment opportunities to unaffiliated third parties to close on investments requiring additional capital. WDIP typically earns management fees and/or carried interest for managing unaffiliated Co-Investment Entities and such are treated as a Client account.

Item 5 Fees and Compensation

Management Fees

WDIP receives management fees from Client vehicles (“Management Fees”). Management Fees are negotiated on a Client-by-Client or Investor-by-Investor basis and set forth in each Client’s respective Governing Documents or Side Letters. Certain Clients will pay a Management Fee based on committed capital during a certain time period, which is expected to align with the investment period of the Client, and then after the designated time period, will charge Management Fees based on invested capital or aggregate unreturned capital contributions. We typically waive management fees for the General Partners and WDIP employees.

Depending on the Client, Management Fees are typically paid in advance on the first day of each successive quarter. Installments of the Management Fee payable for any period other than a full quarterly period generally are adjusted on a *pro rata* basis according to the actual number of days in such period. However, it is our current practice to defer and accrue Management Fees for all Investors early in each Client’s investment period. Each Client may have a different investment period and different time periods for triggering step-down in Management Fees, so we encourage Investors to read the Governing Documents carefully. Management Fees are deducted from the Investor’s capital distributions.

Some of our Clients utilize a private REIT structure for tax efficiency purposes. Private REITs typically charge a REIT administration fee, which will be included in WDIP’s Management Fee as disclosed in relevant Client Governing Documents.

For one or more Investors, WDIP has and accepts a pro rata portion of investment origination fees, otherwise earned by the respective Client as fund income, in lieu of fund-level Management Fees or Carried Interest. To the extent such origination fees are earned by WDIP or the General Partner, the pro rata portion of fees earned by WDIP will have no impact on any Management Fees charged to or Carried Interest applicable to other Investors of the respective Client or such Investor’s investment return. For Separate Account Clients, WDIP typically earns a combination of origination, underwriting, asset management and administration fees. WDIP is also entitled to a profit-sharing interest of the Client as a promote or performance fee.

Performance-Based Fees

Performance-based fees on profits on distributions from current income and the disposition of investments are often a material component of our overall compensation – Item 6 below provides more detailed information. Our performance-based compensation arrangements are structured to comply with Rule 205-3 under the Advisers Act. Total fees paid by Clients that pay performance-based fees are higher than those fees paid by Clients that are not charged a performance-based fee. WDIP typically receives reduced or no performance-based compensation from Related Entities and Related Parties (as defined below) and/or certain Investors.

Other Fees

Our Funds, Separate Accounts, Investment operators and joint venture partners (commonly called “Sponsors”) or Investments indirectly pay a variety of other fees to the Investment Sponsor or to third parties (or to WDIP, its Affiliates or Related Entities as described below) which are factored in to determine the Clients gross investment returns, including, but not limited to: property management and asset management fees, leasing, appraisal and valuation, capital or senior debt placement fees, brokerage and investment sales fees, servicing and other fees and expensed related to senior debt on the property, and other fees common to the development, acquisition, and management of commercial real estate properties.

Affiliated Service Provider Fees, Reimbursements and Promotes

Some Clients retain us or one or more of our Affiliates or Related Entities, including W&D, to perform non-investment advisory services which might otherwise be performed by unaffiliated third parties, including sourcing, servicing or sub-servicing, investment and property sales, equity placement and advisory, valuation and appraisal services, property management and asset management of Investments, and consulting and leasing services and other services ancillary to the acquisition, ownership, management, operation and disposition of real property of a Client (collectively, “Affiliate Services”). These Affiliate Services are provided as set forth in a Client’s Governing Documents or otherwise disclosed to the Client. While the Firm and its Affiliates and/or Related Entities believe that the Affiliate Services are provided at rates generally appropriate for the relevant services, there is an inherent conflict of interest that incentivizes the Firm to engage itself, Affiliates, and/or Related Entities over unaffiliated third parties for the performance of such Affiliate Services. Except as negotiated and described in a Client’s Governing Documents, any fees for Affiliate Services and/or related reimbursements and/or promotes paid by a Client or Investment to the provider of Affiliate Services are in addition to, and will not offset, the management fee, carried interest, or other fees received by the Firm, its Affiliates or Related Entities.

For example, W&D, through one or more of its Affiliates, directly or indirectly provides the following services to WDIP Clients, Sponsors or Investments for a fee:

- To the extent W&D or WDIP originates, underwrites and/or services any FHA/HUD, Freddie Mac or Fannie Mae or other third-party lender loans (“Senior Debt”) on a property for which a Client owns an equity interest in the property owning entity, and/or a gap equity/financing interest (e.g., gap, preferred or joint venture equity) in the borrower or joint venture entity, W&D will be entitled to receive customary loan origination, servicing and other fees (including any fees and compensation received by selling any loans, in whole or part, to Fannie Mae or Freddie Mac or any other third-party investor) at par.
- W&D has and may arrange third-party financing for WDIP Sponsors to procure a refinancing, restructuring or buy-out of an Investment and W&D will be compensated typical loan brokerage fees. WDIP typically has no role in advising the Sponsor to select a Senior

Debt lender in such transactions and servicing fees are typically set by the GSE Lender. These affiliated company conflicts of interest are mitigated through disclosure and, to the extent WDIP advises the Sponsor regarding the selection of a Senior Debt lender, such advice is provided in the best interest of the Sponsor or client.

- W&D may and has earned finder's or referral fees (typically referred to as advisor fees" or "finder's fees") for referring Sponsor, co-investment or other opportunities or relationships to WDIP. WDIP typically has no role in advising the Sponsor to select a W&D affiliated finder in such transactions. These affiliated company conflicts of interest are mitigated through disclosure and paying market rates for such services. Such referrals are generally advantageous to Fund clients because they increase pipeline opportunities.
- W&D has relationships with large banks and other financial institutions which allow W&D to earn deposit placement fees that operate as credits to potentially reduce client banking fees. WDIP clients may benefit from this relationship through lower banking fees on deposit accounts. W&D may earn income to the extent the total placement fee credit applied to W&D affiliate accounts, including WDIP client accounts, exceeds the total credits applied.

We have policies and procedures in place to mitigate affiliated party transaction conflicts of interest in addition to the above, including:

- WDIP investment recommendations are evaluated solely on the basis of the Investment underwriting and not with regard to whether W&D referred the opportunity;
- Conflicts Management Committee(s) review and LPAC disclosure of such arrangements (to the extent not provided in the Offering Documents); required sale of servicing responsibilities by W&D or requiring a third-party special servicer to take over servicing on affiliated loans when WDIP takes asset management control of an affiliated equity investment;
- Implementation of information sharing firewalls prohibiting access to confidential WDIP transaction information not typically available to third-party commercial loan originators, servicers or brokers by W&D Commercial Loan Originators and Servicers' or W&D RE Brokers' employees. WDIP's LPAC disclosure and approval processes have resulted in the placement of reasonable notification, restrictions or caps on the types and level transactions in which a respective Fund can engage without further LPAC disclosure and approval;
- Monitoring the extent to which WDIP supervised persons are involved in such affiliated party transactions and providing WDIP advisory clients with adequate disclosures to allow such clients to evaluate conflicts of interest.

Freddie Mac and Fannie Mae may prohibit W&D employees from investing in Funds, and typically cap WDIP, and Affiliates, employee and W&D capital commitments to any Fund at 4.99%. Furthermore, W&D, originates senior multi-family mortgage loans, or other commercial real estate loans, for itself, as well as for its customers that are not clients of WDIP, non-advisory clients and for joint venture relationships in which it or its Affiliates participate, none of which are required to be included in WDIP's investment opportunity pipeline and which are not subject to WDIP's investment allocation policies, even if members of our board of directors are aware of such opportunities.

Non-Affiliated Service Provider Fees, Reimbursements and Promotes

Some unaffiliated operating partners, joint venture partners and other service providers assisting with the sourcing, development, management or disposition of Investments, receive asset management

fees, acquisition fees, development fees, leasing fees, property management fees, disposition fees, incentive fees including promotes, placement fees or other compensation for their services as a means to compensate them and/or further align the interests of those partners and service providers with the relevant Clients. Those fees are in addition to the fees paid by the Client to the Firm and will not offset the management fee, carried interest or other fees received by the Firm, its Affiliates or Related Entities.

Fee Waivers

We are permitted, in our sole discretion, to reduce or waive all or a portion of our management, performance-based, and/or other fees, and have done so for certain Clients or Investors, including, but not limited to, the following:

- Situations where Clients have agreed to fee waivers with certain Investors (including employee Investors and Investors participating in early closings);
- Unrelated entities that invest through a General Partner; and
- WDIP's direct and indirect owners and their affiliates and employees, including family members and estate planning vehicles ("Related Parties").

Such Investors generally pay their pro rata share of certain Client expenses, which in certain circumstances, are reimbursed to the General Partner. Fee waivers are typically set forth in Client and Investor Side Letters as set forth above.

Co-Investment Fees and Expenses

WDIP, in its discretion, permits Investors, Affiliates, Related Parties, Related Entities, or third-party investors ("Co-Investors") to co-invest with a Client in certain investment opportunities where we believe the co-investment could offer a strategic advantage or other benefit to a Client or Investor. Co-investment opportunities are offered in accordance with a Client's relevant Governing Documents. In some instances, Co-Investors participate with a Client in an Investment on the same terms and conditions as the corresponding Client and will exit such investment on substantially the same terms and conditions and at the same time as the Client. In other instances, terms and conditions are negotiated with an Investor on a co-investment opportunity that are more favorable than the Client's Investment terms. Expenses related to Investments in which a Client invests alongside Co-Investors are generally allocated between the Client and any such Co-Investors pro rata based on amounts invested or expected to be invested as reasonably determined by the Advisor. There can be no guarantee that prospective Investors in yet to be formed Co-invest Entities will agree to bear expenses related to unconsummated investments and therefore all such expenses may be borne by the Client. See Item 8 for more information regarding conflicts of interest with regard to co-investment opportunities, including co-investment activities of the Firm, and its Affiliates, Related Entities and Related Parties (collectively, "Affiliated Entities").

A co-investment vehicle generally does not bear broken-deal expenses, which are generally allocated entirely to the applicable Client Fund, unless such expenses are related to the formation of a co-investment vehicle or a co-investment allocation.

Expenses

Generally, WDIP deducts all fees and expenses prior to allocating distributions to the Investors or Clients. Preferred return, return of capital and profit distributions are made in accordance with the

respective Client's Governing Documents with the timing of such distributions at the discretion of WDIP. Organizational expenses include out-of-pocket expenses reasonably incurred in connection with organizing the Funds and marketing them to prospective Investors (e.g., legal, accounting and administration fees, filing fees), including, without limitation, travel (which may include expenses for first class or business travel) and entertainment expenses, printing fees and the production of marketing materials. At our discretion, we may provide that Investors will have no obligation to pay organizational expenses until the applicable Fund has received a certain amount of gross income or capital commitments, and we may cap the amount of organizational expenses for which Investors are responsible on a pro-rata basis, as set forth in the applicable Fund's Governing Documents.

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

- Expenses, costs and fees related to the formation, organization, operation, maintenance or dissolution of a Client and its subsidiaries or parallel funds, including external and internal legal and accounting expenses (including actual compensation of in-house attorneys, accountants and tax specialists so long as such fees and compensation are at arm's length and competitive market rates), insurance, auditors, appraisals, tax, tax advisory, filing fees and expenses, printing costs, name changes, and reporting;
- Fees, costs, taxes and expenses related to identifying, investigating, purchasing, holding, monitoring, disposing of, financing, hedging, developing, negotiating and structuring potential or actual Investments whether incurred before or after the formation of a Client. This can include, but is not limited to, expenses related to attending trade association meetings, conferences or similar meetings to evaluate potential investment opportunities; travel costs incurred by us and/or any Affiliate, including coach and/or business class airfare, ground transportation or other ways of traveling; and lodging and meals including without limitation meals with deal counterparties and service providers;
- Fees, costs and expenses in connection with transactions that are not consummated, including broken deal expenses, reverse "break up", broken deal or similar fees and lost deposits.
- Principal, interest, expenses, costs and fees arising out of all debt transactions, including fees related to subscription line facilities, mortgage servicing, loan origination, and loan servicing;
- Expenses associated with portfolio and risk management, including currency hedging and interest rate management;
- Costs of advisers, appraisers, consultants, engineers and other professionals and service providers;
- Transfer agent expenses, custodial and depository expenses, local paying agent, brokerage fees and other fees, costs and expenses incurred in connection with Investments (See Item 12 of this Brochure for a description of the Firm's brokerage practices and related costs or fees).
- Costs related to risk management services and insurance for the Firm, Affiliates and the Client entities (including a Client's real estate Investments), including directors' and officers' liability insurance, insurance to protect a Client and any indemnified parties, insurance claims, management expenses and related consulting fees, and direct and indirect costs and expenses associated with any litigation, threatened litigation or governmental or regulatory inquiry;

- Expenses, costs and fees related to offering and sale of limited partnership units or other interests, including legal fees, travel expenses and the costs and expenses incurred in preparing periodically updating private placement memoranda or equivalent documents or in obtaining tax and legal opinions;
- Expenses of investor advisory committee meetings and attendance by their members and observers, including hotel, meal, event, entertainment and other similar fees; costs and expenses of any legal counsel or other advisors retained by or at the direction of the advisory committee; and costs and expenses, including travel, of Advisor meetings with or reporting to Investors, advisory committees of a Client, or advisory committees of any Investor;
- Expenses of REIT board meetings and director attendance at those meetings;
- Banking, cash management and treasury expenses and fees;
- Licensing fees for information technology software utilized in accordance with the operation and management of applicable Investments and reporting to Investors;
- Preparation and filing of regulatory reports, disclosures and notifications of the Advisor, its Affiliates and Clients to Investors and regulators including the SEC, and European Union Alternative Investment Fund Managers Directive, including costs of any third-party service providers and professionals involved in the preparation or review and any translation costs;
- Third-party legal expenses (including, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters);
- Preparation, distribution or filing of Client financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with Investors; and
- Extraordinary expenses and non-discretionary expenses.

Allocation of Fees and Expenses

In accordance with our internal expense allocation policies and each Client's Governing Documents, we determine on a case-by-case basis, in our discretion, whether an expense should be borne by a Client or multiple Clients or by WDIP (the Advisor), an Affiliate, or some combination of these entities. WDIP allocates expenses to Clients in a manner it believes is fair and equitable considering all factors that we deem relevant in our sole discretion, subject to the Governing Documents of a Client. Shared expenses will typically be allocated among the Clients obligated to bear the expenses. The allocation of such expenses will typically be done pro-rata among Clients but at times will not be proportional and any such allocations involve our discretion.

The allocation of expenses can create potential conflicts of interest. Some expenses are incurred on behalf of one Client which have the potential to benefit other Clients. For example, information we obtain in connection with a Client's research, due diligence and Investment activities could be valuable to other Clients. Additionally, tools and resources developed at our expense are the intellectual property of WDIP and not the Clients. Expenses that are for the benefit of two or more Clients will generally be split pro rata between the respective Clients. WDIP or the respective Fund typically collects and holds cash due diligence deposits from Investment Sponsors to pay for deal expenses including travel, underwriting and legal. WDIP or the respective Fund returns the full due diligence cash deposit to the Sponsor and charges the sponsor for due diligence expenses at deal closing day.

In certain circumstances, one Fund may pay an expense common to multiple legal entities within the same Fund family and may be reimbursed by the other Funds within such Fund family, without interest. While highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Funds.

W&D employees who are WDIP supervised persons are engaged to provide non-advisory support services, including operational and compliance support, fund accounting and administration and asset management services, to WDIP non-advisory Clients as well as W&D affiliates (such as Alliant Capital, ASI Adviser, LLC and their affiliate general partner and fund Clients), joint venture programs or other Client relationships. Depending on the relationship, W&D may charge fees in the form of fund administration or other accounting fees. Any fees charged to such W&D affiliates, if any, will be at or below market rates and will not include general overhead expenses. Such additional compensation earned by WDIP or W&D will not be charged to or offset management or other advisory fees charged to WDIP advisory Clients.

WDIP provides non-advisory senior loan origination and asset management services for non-advisory Clients of W&D and/or WDIP (e.g., “Borrowers”). For example, a supervised person of WDIP, or independent employee of W&D (banker or broker), may represent a Borrower seeking financing from a lending source (typically agency, GSE, or bank lender) or capital provider which may include both WDIP investment advisory Clients or WDIP non-advisory Clients for a real estate project in the form of senior debt, mezzanine debt or and/or joint venture/preferred equity. The Borrower or lender typically pays WDIP fees in the form of origination fees or exit fee participation, and/or asset management and servicing fees through WDIP’s affiliate servicer Walker & Dunlop, LLC.

WDIP advisory or non-advisory Clients, Separate Accounts and/or Funds may provide such debt and/or equity financing to the Borrower as a lender or equity joint venture/preferred equity partner through either a discretionary or non-discretionary investment recommendation of WDIP. Any fees or other compensation earned by WDIP (including origination or exit fees, brokerage fees, asset management or servicing fees) related to its representation of the Borrower shall be income to WDIP and not its advisory Clients and shall not offset any Management Fees or other advisory fees due to WDIP as an investment adviser. If any of these affiliated transactions are between WDIP or a WDIP Fund and another investment advisory Client of WDIP, or between WDIP investment advisory Clients, such will be treated as principal transactions or agency cross-transactions respectively. WDIP will provide and/or obtain Client, LPAC or Investor disclosures and consents as required under the Advisers Act. These and other affiliated relationships related to W&D’s ownership of WDIP raise potential and actual conflicts of interest more clearly described in Item 10 below.

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

Performance-based fees are designed to compensate us for managing certain Clients or Investments that meet or exceed agreed-upon performance levels or targets. These types of structures attempt to align the Firm’s compensation with the investment objectives and interests of our Clients and Investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s or Separate Account’s life or at certain interim intervals. Consistent with the relevant Governing Documents, performance-based fees can be based on the performance of individual Investments, groups of Investments or the entire portfolio held by a given Client.

A Client’s performance-based fees (if such exist) are described in the Client’s Governing Documents and are generally based on profits on distributions derived from current income and/or the disposition of Investments. These can be characterized as incentive fees, incentive compensation, carried interest,

promote, profit sharing interest or other similar designations. The calculation is frequently performed according to a total return formula such as internal rate of return (“IRR”) in relation to a stated return objective, whether that be a target fixed return, a stated benchmark’s return, or other such hurdle.

The Firm or our Affiliates are permitted to waive, in their sole discretion, receipt of performance fees, or reduce the amount of performance fees that, once earned, are paid. Specifically, Related Parties and Related Entities who invest in a Client will generally pay reduced performance-based fees or none at all. Similarly, some Co-Investors pay a lower performance-based fee, or none at all.

Pursuant to profit-sharing plan agreements of the General Partners of the Funds, 50-60% of the carried interest is allocated to WDIP to compensate employees with the balance retained by W&D or an Affiliate. In addition, pursuant to the investment management agreement with the Separate Account Client, WDIP has a profits interest agreement wherein WDIP earns a performance-based profits allocation of 20% or 15% of Client profits calculated as set forth in the agreement as part of its fee.

The potential of earning carried interest may motivate WDIP to make more speculative investments on behalf of the Client than it would otherwise make or favor accounts for which performance-based fees are made. However, this risk is mitigated by the requirement that Investors receive a return of invested capital plus a preferred return, which creates an incentive for WDIP to balance risk and reward potential, as any losses will need to be regained before performance-based fees are received. As described in more detail in Item 8 below, we have adopted investment and expense allocation policies designed to treat all Clients fairly and equitable in accordance with the applicable Governing Documents and advisory agreements.

Side-by-Side Management

Side-by-side management refers to the simultaneous management of multiple Clients with similar or overlapping investment strategies, some of which have differing fee structures. In addition, Client Funds and Separate accounts, typically within our debt platform and less often within our equity platform, intend to co-invest alongside each other in Investments in accordance with their respective Governing Documents and our investment allocation policies.

In theory, this has the potential to result in a conflict of interest because we have an incentive to favor the Client with a higher fee or a performance fee, including an incentive for favorable Investments to be allocated to a Client with higher fees. The Firm has the following protections in place to help mitigate the potential for conflicts caused by side-by-side management and performance or incentive-based fee structures:

- A multi-disciplined Investment team with separate reporting lines, including senior management, participates in the initial screening of potential Investments to assess their appropriateness for each Client, taking into consideration such factors as portfolio objectives and property type, risk profile, investment structure, capital availability, geographic location, and execution timing constraints. This disciplined process provides effective checks and balances for mitigating the potential for conflicts to be mismanaged by any one individual;
- A proposed Investment recommendation that could be appropriate for Clients with any investment objectives or guidelines in common in any respect and are otherwise required to be presented to a particular Client will be allocated among the various Clients in accordance with our allocation practices and procedures and to the extent required, the Clients’ Governing Documents, including programmatic co-investment allocations, and on a basis that the Firm believes in good faith to be fair and reasonable. It is possible that this will result in a disproportionate or non-pro-rata allocation of an Investment among Clients, and the allocation of an entire Investment to a particular Client;

- The capital commitment that the WDIP and/or our Affiliates make to a Client help mitigate any incentive to invest Client capital more speculatively than it otherwise would in an effort to generate outsized returns;
- The Firm’s Investment recommendations are created, reviewed and approved in accordance with the investment guidelines as defined in each Client’s Governing Documents. These recommendations do, where applicable, take into consideration possible conflicts including whether other Clients have assets within the sub-market and are directly competitive to the Investment being recommended; and
- All Investment recommendations are reviewed and require approval by the Firm’s relevant Investment Committee, (each an “Investment Committee” and collectively, the “Investment Committees”) each of which consists of the Firm’s senior officers that are responsible for oversight of Client Investments, and by the Firm’s equity or debt platform conflicts management committee (the “CMC”) each of which consists of the platform’s CCO and CIO and/or Head of Debt.

Item 7 Types of Clients

We provide investment advice to our Clients, which are the Funds, Separate Accounts, Co-Invest Entities, and Client SPV Entities described in Item 4 above. Client Investors can be expected to consist of one or more of the following:

- Public and private retirement and pension plans;
- Insurance companies;
- State and municipal government agencies;
- Sovereign wealth funds;
- Private investment funds;
- Public and private profit-sharing plans;
- Banks and other financial institutions;
- Charitable organizations and foundations, including endowment funds;
- Investment companies;
- Corporations, trusts and estates and other business entities;
- Family offices and other certain high net worth individuals;
- Related Parties, Related Entities and knowledgeable or qualified employees; and

The Clients are not registered or required to be registered under the Investment Company Act in the case of Clients that are pooled funds and interests in the Clients are privately placed to the following types of qualified Investors:

- U.S. investors who are accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended and qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act; and
- Non-U.S. investors that meet comparable qualifications.

Each Client requires minimum capital commitments from an Investor, which are detailed in the relevant Client's Governing Documents. We have accepted and may continue to accept minimum subscriptions and commitment amounts of less than the stated minimum amount in its discretion.

Our investment advisory Clients include preferred and joint venture real estate equity Separate Accounts for which we provide advisory and non-advisory services to affiliated and non-affiliated institutional investors and asset managers. For example, WDIP's affiliate W&D has entered into a joint venture agreement ("WD-JV") with a Canadian pension consultant to originate, underwrite and manage preferred equity investments on 7-10 year duration substantially stabilized multi-family assets for which the Sponsors (as defined below) require gap equity/financing. W&D originates and underwrites the first trust agency debt for such investments. WDIP is appointed as the non-discretionary investment adviser with respect to the pension consultant partner and discretionary investment adviser with respect to the W&D partner of the WD-JV and provides underwriting, portfolio and asset management services. A conflict of interest exists in this relationship because the WD-JV has certain take-over rights to take management control of investments from the Sponsor, and W&D typically arranges the senior debt for the Sponsor borrower and provides loan servicing services on the senior debt. In the rare case the WD-JV is required to exercise its take-over rights on any property on which W&D services the first trust loan, to mitigate the above conflict of interest, W&D is required to relinquish or sell its servicing rights to an unaffiliated third party.

In addition, WDIP has a joint venture real estate equity Separate Account program with an insurance company to originate, underwrite and advise on value-add multifamily and industrial real estate assets on a non-discretionary/joint discretionary basis. We have investment allocation policies and procedures to manage conflicts related to allocating similar investments across its fund and Separate Account programs.

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

WDIP specializes in partnering with experienced middle market sponsors to invest in real estate equity and mezzanine debt transactions. We typically invest in Core, Value-Add and Opportunistic strategies and our Funds and Separate Account mandates may blend such strategies.

- Our "Core" strategy seeks to invest in stabilized or nearly stabilized multi-family real estate with stable current income and appreciation returns commensurate with a low to moderate level of risk. The majority of the return will be based on cash flow. Investments are typically located in major markets and are substantially leased, institutional-quality assets. Senior debt is moderate with generally an upper limit of 40% loan to value or cost.
- Our "Value Added" strategy seeks to invest in real estate with a moderate risk profile and greater appreciation potential than Core. The returns will come from a blend of income and appreciation. Senior debt is generally limited to 60% loan to value or cost. Property types are institutional-quality office, industrial, retail, hotel and multi-family.
- Our "Opportunistic" strategy seeks to invest in real estate with high-risk attributes; returns are often largely dependent on future appreciation. Senior debt can be 75% loan to value or cost or greater. Property types include office, industrial, retail, hotel and multi-family.

Investments in operating companies and development are also considered.

WDIP Equity Platform

For our equity platform Clients, we target “middle market opportunities” in the commercial real estate market which we consider as properties that are approximately \$100 million or less in value, typically with non-institutional ownership. Our investment strategy will typically focus on commercial real estate opportunities where liquidity is required, and such opportunities meet each Client’s underwriting guidelines. Each Client’s investment structure may include debt, participating debt, gap equity/financing, preferred equity, joint venture and *pari passu* equity, and in some cases, the acquisition of fee simple real estate. In most cases, our equity platform Clients will co-invest with experienced middle market operators (also known as “Sponsors”) who identify specific opportunities, negotiate the deal terms and then actively manage the investments and managing members of joint-venture investment SPEs.

Investment Property Types

We currently focus our investments in and lending activity on multi-family and other housing and industrial/logistics properties.

- *Multi-Family and Other Housing.* Our multi-family and other housing strategy is to develop, acquire or lend on well-built, well-located assets in markets with good long-term economic and demographic fundamentals. Our Investments include all classes of multifamily rental housing, institutional-quality housing land development, senior or age-restricted housing, student housing, or other product types within the housing umbrella, and span the demand base from Class A, workforce and affordable housing. Certain housing Investments include ground-up development, land development or substantial renovation (e.g. re-positioning or redeveloping an Investment, such as renovating existing apartment projects or converting a commercial property to apartments). Our acquisition strategy in the sector focuses on acquiring Investments below replacement cost that offer a chance to add value through renovation and enhanced property management.
- *Industrial/Logistics.* Our industrial/logistics strategy is based on developing, acquiring and/or financing warehouse properties in major distribution markets and in the logistics path of major population centers with strong long-term demand prospects. We focus primarily on build-to-suit or build-to-core developments as well as acquisitions to achieve stabilized, substantially-leased properties. We also pursue Investments in assets with current vacancies or opportunities with near-term lease rollovers at below-market rents, which can be purchased at below replacement cost. A significant segment of our activity is driven by the rapidly growing demand for warehouse and distribution space from e-commerce firms and their supply chain partners and suppliers.

WDIP creates alpha throughout the entire investment life cycle, including proprietary sourcing, analysis and investment selection in the middle market, rigorous underwriting, structural governance inherent to every WDIP transaction, and hands-on asset management. The following section highlights these areas in more detail:

Middle Market Focus: By focusing on an inefficient market segment, WDIP can enhance investor returns. These market inefficiencies have many forms, including but not limited to the following:

- *Informational Asymmetry*: WDIP and its partners often have superior market intelligence - whether from proprietary W&D data or a partner with a competing property that provides proprietary lease comps. Compared to competitors, this information asymmetry allows WDIP to move quickly on attractive opportunities with conviction.
- *Unsophisticated Owners*: Many middle market properties are owned by individuals rather than institutional owners with incentivized and sophisticated teams. These owners do not have the real estate expertise nor the need to maximize value with their property investments continuously. Often, individual owners inherited or purchased the property primarily to take advantage of a 1031 exchange rather than to execute a value-add business plan. As a result, WDIP and its partners actively pursue acquisitions of underutilized and undervalued assets from owners not privy to the rapid changes in property values and rental rates, particularly in the current dynamic investment landscape.
- *Cost of Debt*: Similar to the previous point, debt on smaller transactions typically has higher fees and less competitive terms due to the lack of interest from large lenders with a lower cost of capital. Large lenders focus on larger deals, requiring fewer transactions to hit production targets. Conversely, WDIP can leverage its institutional lender relationships and the vast W&D banker and broker network, benefiting the partnership and the investors with a lower cost of debt and, consequently, higher leveraged returns.

Proprietary Sourcing: WDIP's closed equity deals are predominantly exclusive, meaning that no other institutional capital groups are seeing the same opportunities unless the opportunity is passed on WDIP. WDIP curates its pipeline several ways:

- *W&D Leads*: With a massive capital markets and investment sales footprint, W&D producers are facilitating the sale, purchase, and financing of transactions for a wide array of real estate operators throughout the U.S. WDIP markets its capital internally to all W&D producers at the firm, and the producers are incentivized to provide equity sources internally. For example, if a W&D debt broker can also source equity capital for its client, and that equity is WDIP, the client is further dependent on W&D for the execution of its business. This synergy strengthens WDIP's relationships by allowing WDIP's deal teams to leverage the existing W&D relationship and leverage its negotiating power by streamlining the investment execution if the operator uses WDIP equity.
- *Active Sourcing*: WDIP seeks to source as many direct relationships with its partners as possible. The WDIP equity team attends industry conferences monthly to meet new potential partners and source deal flow. The team also leverages its greater than 20,000 contact Salesforce database in Salesforce and sources leads through W&D's CEO, Willy Walker's Weekly Webinar, which in 2022 generated over 6.3 million lifetime views/listens and +329 thousand podcast downloads.

Proprietary Relationships: One of the WDIP equity team's most vital attributes is its ability to build strong relationships with its sponsor partners. Most of WDIP's investment opportunities are with repeat partners, and of these opportunities, WDIP sees many exclusively without being shopped against other competing capital groups. Sponsors highly value using existing relationships, joint venture documents and repeat investment committee executions – even at the expense of potentially giving up fees or waterfall economics. This exclusivity grows from WDIP's team composition, longevity, and repeatable process. Finding scalable and dependable capital is often the most challenging and time-consuming part of an operator's business growth. WDIP differentiates itself from competing capital providers by being a great partner, including:

- Being dependable and providing timely, concise feedback (knowing what can and cannot be done);
- Moving quickly on opportunities and being decisive;
- Financing transactions of varying sizes and types, helping operators grow efficiently;
- Traveling to the site on short notice when needed to secure a relationship and diligence investments;
- Providing valuable analysis and insight toward mitigating risks, both pre-acquisition and during the asset management process;
- Bringing value to negotiations with lenders and other 3rd parties;
- Being efficient with reporting and the partner's time; and
- Being flexible to accommodate dynamic business plans to maximize value.

W&D Brand: W&D is a household CRE name with an excellent industry reputation. In 2022, W&D ranked #1 Fannie Mae DUS® Lender, #2 Overall HUD Multifamily Lender in the nation and #3 Freddie Mac Optigo Multifamily Lender. In addition, the firm is consistently recognized for its award-winning culture and growth, designated as one of the top places to work in 2022 by *The Washington Post* and *Fortune*. This brand recognition allows WDIP to set itself apart from other middle market boutique capital providers. For operators, choosing a capital partner for a transaction is a multi-year commitment. Selecting the wrong group can harm the operator's business, including difficulty executing the business plan and even losing key employees. WDIP benefits from the solid reputation that W&D has established over the past 86 years since its founding in 1937.

Proprietary Market Data and Technology: Through W&D's tech platform, WDIP has access to W&D's greater than \$131 billion servicing book and various other market-leading tech platforms. In addition, WDIP has access to expert brokerage insight across over 40 markets and real-time debt market commentary and lender leads. This intel allows WDIP to understand markets better, underwrite more accurately, and move quicker than the competition. Below is an overview of these platform.

- *Enodo:* A proprietary web-based software that provides performance data on W&D's entire GSE servicing book. Equipped with a diagnostic tool for relevant revenue and expense comparables and analyses, the software allows WDIP to compare property performance to proprietary comps at a very granular level. Most unique and valuable to WDIP is *Enodo*'s expense comparables function. The function enables WDIP to diligence line-item-level expense assumptions in a manner not available to other fund managers on third-party real estate data platforms like CoStar and Axiometrics.
- *Galaxy:* A proprietary web-based software that aggregates all publicly-available loan data, such as GSE securitizations, CLOs, and CBMS, into an easy-to-use format. *Galaxy* allows WDIP to search for capital-constrained or distressed opportunities, quickly learn about a potential operator's global debt situation, and avoid partnering with operators who may soon experience distress elsewhere in their portfolios - distracting attention from WDIP's investment.

- *Salesforce:* WDIP’s internal Salesforce platform allows the team to track every opportunity in the pipeline by areas of focus such as market, sponsor, and deal profile. Salesforce opportunity data is rich, searchable, and actionable – enabling WDIP to retain and utilize the proprietary market intel for comparing investments, targeting previously-sourced distressed owners and properties, and recapping deal flow with current partners.
- *W&D Brokerage Network:* WDIP accesses on-demand, real-time insights from W&D capital markets and investment sales teams. Whether WDIP requests guidance on debt terms for an investment opportunity, a deeper understanding of supply/demand fundamentals, or operating/value trends in a new market or submarket, WDIP can leverage the entire W&D network to benefit its sponsors and investors.
- *Local Operating Partners:* Critical to successful multifamily and industrial investments is partnering with the right operator who has deep local market knowledge. WDIP invests alongside operators with a proven track record of success, a specific business plan, and a stabilized team – not just a track record of high returns.

Investment Strategy and Process

We scrutinize an operator’s past and current investments; its ownership; its current organizational chart and staffing needs for a new project; how its key team members are incentivized and compensated; its global cash flow and leverage; how it worked its way out of any troubled investments in the past; and its specific staffing plan for a proposed investment. The process includes in-depth interviews of key team members, an understanding of key employee investments in the proposed joint venture, office and site visits, tours of existing properties owned, detailed due diligence questionnaires, comprehensive background checks, and a review of contingent liabilities.

- *Rigorous Underwriting and Due Diligence:* WDIP’s sophisticated underwriting process provides a granular view of risk points in an investment, allowing WDIP to focus on mitigating the risks through bespoke joint venture structuring and passing on deals with unacceptable risk/return profiles. WDIP brings an institutional due diligence process and standard to the middle market, enabling WDIP to avoid unforced errors. Properties are then positioned for institutional exits, where buyers have the lowest cost of capital, thereby maximizing investor returns.
- *Thoughtful Structuring:* WDIP has the tools necessary to maximize risk-adjusted returns to investors through bespoke structures and thoughtful alignment of interest. WDIP has over 17 years of experience structuring complex senior, preferred, hybrid, and joint venture equity investments to mitigate risk. While unique structures are not a necessary feature of every investment, WDIP has a deep understanding and capability to mitigate specific risks through the structure. Creative structuring allows WDIP to broaden its pipeline of potential investments.
- *Hands-on Asset Management:* WDIP has a dedicated asset management team that takes a hands-on approach to every investment. The team works in partnership with the sponsor to oversee the execution of the business plan, deal performance relative to the original underwriting, and ultimate disposition of the property.

Multifamily Investments: Several themes form WDIP’s multifamily investment landscape:

- *Focus on Basis Per Units and Rents:*

Our view of a non-development multifamily investment is greatly informed by the basis per unit relative to replacement cost. Acquiring a functional, well-located property below replacement cost is the foundation of a successful multifamily investment. The discount to replacement cost insulates the investment from the newly-built competition because the newly-built competition must charge higher rents to make the development financially viable. This built-in, durable cushion ensures strong demand in the future.

For all multifamily investments, including developments, WDIP avoids investments which require top-of-market rents, below-market expenses, or otherwise unproven performance metrics. Instead, WDIP typically focuses on quality multifamily investments where current rents are in the bottom to the middle of the competitive set. This approach creates value via higher income, creating a more attractive property, and enhancing resident retention – without moving rents so much as to force out most of the existing tenants or reach the top of the competitive set where demand is thinner and unreliable.

- *Conservative Capital Structure and Underwriting:*

WDIP does not invest in multifamily transactions which require aggressive, high-leverage bridge senior loans to financially engineer attractive returns and create undue risk. Instead, the typical WDIP multifamily investment involves a conservative, senior loans with solid debt service coverage and stressed refinance-ability metrics going-in. Therefore, the business plan does not need to be perfectly executed to cover or replace the senior debt. WDIP's proprietary technology tools enable it to diligence every operating line item of a pro forma, ensuring that no assumptions are made without strong, actual justification from competitive properties.

- *Supply Barriers:*

Supply barriers such as lack of developable land, increased cost of capital, or lack of capital, environmental restrictions, and land costs continue to bottleneck efficient delivery of supply, causing periods of mismatched supply and demand in specific markets and submarkets. WDIP targets markets with these characteristics due to the effective floor it creates for performance of properties in these markets. If demand holds or continues to grow, and supply is fixed or limited, rent and property values should maintain or increase.

Markets with these supply barrier fundamentals tend to have less cyclical and do not require precise market timing compared with markets with lower supply barriers, which tend to be more cyclical as supply can easily exceed demand.

- *Demographic Trends*

Demographic trends such as the advancement of one generation to the next phase of life are reshaping the demand profile for entire cohorts. These demographic trends, such as baby boomers entering retirement, can dramatically shift the demand for housing in specific markets like the Southeast and product types like active living and senior housing.

COVID-19 has accelerated a remote work trend that has enabled a large segment of the U.S. population to rethink living preferences – whether in higher-quality markets or larger homes with more privacy. These dynamics have shifted demand to suburbs, lower cost of living, and higher quality of life and recreation markets.

- *Macroeconomic Trends*

Increased interest rates continue to curb home purchase affordability. Lack of home affordability increases multifamily rental demand, shifts home purchase demand to more affordable housing, and creates distressed BFR purchase opportunities as homebuilders deliver homes that they cannot sell.

Increasing replacement costs driven by inflation continue suppressing new supply growth in select markets without a commensurate rent increase. WDIP constantly compares the basis of any investment to replacement. Like the supply barriers mentioned above, rents must rise to a certain level to stimulate new, competing product development. WDIP wants to be at a significant discount to the replacement cost to see large rent increases before an investment must contend with new product.

Industrial Investments: Several themes govern WDIP's industrial investment landscape:

- *Macroeconomic Demand Fundamentals*

Historically strong occupancy and absorption are driven by continued demand growth from e-commerce, supply chain disruptions and backlogs, supply chain restructuring, and general demand growth. This steady demand growth, while currently a nationwide characteristic, is more acute in specific markets due to different factors such as port volume changes, logistics patterns, manufacturing locations, and population growth.

Industrial Rents a Low Percentage of Overall Tenant Operating Costs

Rent costs typically represent just 3-6% of a logistics tenant's total cost of operating a warehouse or distribution facility. Labor and transit costs are far more critical to the tenant's business profitability. This cost hierarchy enables tenants to absorb higher rents, often justified by other cost savings and efficiencies. For example, a tenant may save costs by being slightly closer to its labor pool, customers, or typical transit routes. Since rents are a relatively insignificant cost to an industrial tenant, tenants have effectively passed rent increases via price increases in their outputs.

- *Unbalanced Supply Focus*

Most institutional capital only develops to the highest distribution specs (+40 foot clear, +120 foot truck courts, ESFR sprinklers, etc.). However, in many markets, particularly supply-constrained markets, a significant segment of tenant demand by volume does not need or value these more expensive specifications. A lack of institutional investment in regional tenant demand in the form of smaller multi-tenant properties has left many industrial users underserved and represents an opportunity to upgrade older, still functional properties in infill locations.

- *Labor Dynamics*

Local labor pools are being driven to new areas in markets where affordability crowds out the blue-collar workforce. These dynamics are most prevalent in manufacturing due to the more labor-intensive characteristics compared to distribution. Compared with rent, labor is a much more significant cost input to manufacturers, e-commerce distributors, last-mile distributors, or reverse logistics operators. As a result, these tenants tend to follow the affordable labor pool. In addition, particular municipalities provide property or payroll tax incentives that further drive demand for job-dense tenants to relocate.

- *Increasing Replacement/Development Costs*

Increasing replacement costs driven by inflation and increased cost of financing continue to suppress new supply growth in select markets without a commensurate rent increase. WDIP constantly

compares the basis of any investment to replacement cost. Like the supply barriers mentioned above, rents must rise to a certain level to stimulate new, competing product development. WDIP increases before an investment must contend with new product. Exacerbating the supply and demand imbalance is that many municipalities which are attractive for industrial use (most prominently, the Inland Empire) have enacted moratoriums on new industrial development, having seen an explosion in industrial projects over the past 5 to 10 years.

- *Fragmented Ownership = Inefficient Market Pricing*

Typically, only 5 - 10% of industrial real estate is owned by REITs. Many of the largest REIT owners can only materially grow by acquiring smaller REITs or large portfolios of class A assets. This leaves a vast market segment ripe for pricing inefficiencies, of which WDIP and its operating partners may take advantage.

WDIP Debt Platform

For our debt platform Clients, we generally seek originate debt financing for transitional business plans, including lease-ups, repositions, repurposing, opportunistic/value-add acquisitions and recapitalizations across the U.S. Each Client's mandates specific investment criterion and restrictions in their respective Governing Documents.

For example, our current mandate will primarily invest in multifamily properties including market rate multifamily, affordable multifamily, manufactured housing, build-for-rent, and student housing (no less than 85% or more of the portfolio) and have a small allocation available for other property types (maximum of 15% of the portfolio).

Investment Process and Strategy

We have a methodical approach to multifamily bridge loan sizing based on prudent going-in and stabilized debt yields, debt service coverage ratios, and loan-to-value ratios. The use of these specific parameters allows us to determine the appropriate amount of loan proceeds, required loan stipulations and performance-based loan covenants. This meticulous approach to loan sizing is designed to mitigate risk, protect the Investors, and ensure that borrowers receive loan amounts that align with the value and performance of their properties.

- *Debt Yield*

We measure debt yield as the property's net operating income divided by the loan amount. This sizing metric ensures a sufficient income return on the loan if the borrower defaults, protecting the Investment. We analyze both the going-in debt yield (based on current operations) and stabilized debt yield (based on projected, steady-state operations post-renovation or repositioning) as part of the underwriting process. Evaluating both debt yields allows us to balance the risk associated with the property's current income and its potential income once any improvements have been made and the property has reached a stable occupancy level. This in turn provides a more comprehensive understanding of the property's ability to generate revenue, offering a safety net to the Client.

- *Debt Service Coverage Ratios (DSCR)*

We also consider the DSCR in its loan sizing, calculated as the net operating income divided by the total debt service. A strong DSCR indicates that the property generates sufficient income to cover its loan obligations, minimizing the risk of default. Therefore, it provides a reliable indicator of the loan's safety from an income perspective. The goal is to ensure the ratio exceeds a prudent minimum

to provide a cushion for the Client Investors in case of unexpected fluctuations in the property's income or expenses.

- *Loan-to-Value (LTV) Ratios*

Finally, the loan-to-value (LTV) ratio is a critical measure WDIP uses to size the loans, calculated as the loan amount divided by the appraised property value. The LTV ratio helps to gauge the risk associated with the loan and the borrower's equity in the property.

Keeping the LTV ratio at a conservative level ensures that there is sufficient equity in the property to protect the Fund in the event of a default. It also encourages borrowers to maintain their commitment and remain aligned with the lender on the improvement to the property, as they will have a significant financial stake in its success.

Multifamily Bridge Loan Structure

WDIP generally structures bridge loans with the following key components, each designed to define the economic implications of the loan, facilitate the borrower's objectives, or manage the distinct risks associated with properties that are under renovation, repositioning, or lease-up.

- *Origination Fee*

This fee is applied at the commencement of the loan, representing a certain percentage of the total loan commitment. This fee compensates the Fund and WDIP for the processing costs associated with originating and closing the loan. For example, our current debt Fund, 50% of any origination, exit and extension fees are paid to WDIP without reduction or offset of the Fund's Management Fees and the remaining 50% will be paid to the Fund.

- *Exit Fee*

Clients and WDIP may charge an exit fee upon the final repayment of the loan based on a percentage of the total loan commitment as additional compensation for the loan.

- *Lock-out/Make-whole Provision*

To protect anticipated yield, a lock-out period may be stipulated during which borrowers are precluded from repaying the loan early. In some instances, a make-whole provision might be incorporated, compelling the borrower to compensate the Fund for any interest loss in the event of early repayment.

- *Floating Interest Rate*

The loans provided by the Client are typically utilize a floating interest rate, allowing the cost of borrowing to adjust in response to fluctuations in market interest rates. This enables the Client to potentially profit from rising market rates and would reduce the returns to the Client in a falling interest rate environment.

- *Interest Rate Cap Requirement*

An interest rate cap purchased by the borrower will typically be required, which provides a hedge on the floating interest rate so that the borrower can meet its debt service obligations if the underlying floating rate index increases.

- *Interest Reserve*

An interest reserve may be set up from the loan proceeds to cover the loan's interest payments. This is particularly beneficial in instances where the property might not generate sufficient income until project completion or full lease-up.

- *Non-Recourse Carve-Outs*

The loans expected to be issued by the Client are generally non-recourse, with recovery actions in the event of a default limited to the loan's secured collateral. However, there may be non-recourse carve-outs, which would allow the Client to pursue further recovery in specific circumstances, such as borrower fraud or misrepresentation.

- *Extension Options*

Borrowers might have the option to extend the loan tenure, conditional upon the payment of a fee and achievement of specified performance benchmarks, such as attaining predetermined occupancy levels or debt service coverage ratios.

- *Performance Covenants*

These covenants are obligations requiring the borrower to meet certain performance metrics, such as maintaining or achieving a specified debt yield or debt service coverage ratio. These covenants are expected to provide the Client with a measure of protection by ensuring the borrower maintains the financial health necessary to repay the loan.

- *Reserves and Escrows*

As part of our risk management strategy, borrowers will typically be required to maintain reserves or escrow accounts to cover anticipated expenses such as property taxes, insurance premiums, immediate repairs, and significant replacement costs.

- *Holdbacks for Capital Improvements*

A portion of the loan proceeds might be held back to ensure adequate funds are available for capital improvements to the property. Upon completion of the improvements and fulfillment of any additional conditions, these funds may be released.

- *Cash Management*

To enhance oversight of a property's cash flows and ensure timely loan repayments, we may implement a cash management system. This typically involves controlling the property's income and expense accounts, and it may provide the Client with early warning signs of potential problems.

- *Hard and Soft Lock Box*

These terms are types of cash management systems. In a hard lock box arrangement, all rents are directly deposited into an account controlled by the lender. In a soft lock box arrangement, while rents are deposited into an account controlled by the borrower, the lender has the ability to seize control of the account under certain circumstances.

Underwriting and Due Diligence Discipline

A foundation of WDIP's investment approach is underwriting and due diligence discipline in every deal. Our underwriting and due diligence process will involve a detailed review and analysis of pertinent documentation and information surrounding the physical, economic, and legal aspects of the subject real estate. Key components of due diligence include: income analysis, market research, expense vouching, property tax analysis, insurance review, third party reports, sponsorship qualification, and legal documentation. In reviewing a potential investment, we utilize some or all of these tools depending upon the size and type of investment being made, our prior experience with the borrower, the nature of the local market, available information and other factors. Below is a description of the analysis generally undertaken for each component.

- *Income Analysis*

Income analysis involves the verification of the certainty of revenue streams based upon actual in-place leases for stabilized assets and actual achievable market rents as determined by lease comparables for assets being repositioned. We then compare income parameters to borrower pro forma numbers to determine the feasibility of the borrower's business plan.

- *Market Research*

When considering making an investment, our team thoroughly reviews the geographical market and submarket of a potential property. Market rents, occupancy and the investment basis at the subject property are reviewed to determine if the metrics are in-line with comparable properties. WDIP also reviews the local economy conditions in depth to ensure employment diversification that would mitigate an economic downturn in any particular industry. In particular, we look to population demographics and trends to determine the stability and long-term growth potential of the submarket. Finally, our team often conduct sites tours, including meetings with local experts, prior to closing to better understand the local market, and prospects for new development and to verify all provided information.

- *Expense Vouching*

In determining the validity of borrower pro forma expenses and to finalize underwritten operating expenses, we compare historical operating expenses over a three-year minimum to the borrower's pro forma on a year-over-year basis. The team will discuss large variances with the borrower before finalizing the pro forma expenses.

- *Property Tax Analysis*

Property tax bills are compared to our initial underwriting, the appraisal, and borrower pro forma and then reconciled to a final underwriting number. If the loan is for an acquisition, reassessment per the local standards is factored into the analysis. Also, if there are any tax abatements, the final underwriting examines scenarios both with and without tax abatement.

- *Insurance Review*

In order to determine that the subject real estate is properly insured, we typically require an insurance review to be performed by a third-party insurance consultant. The consultant reviews the appraisal,

property condition report, environmental site assessment, term sheet, and insurance certificates. Consultant-recommended adjustments are examined by the underwriter and then forwarded to the borrower for compliance.

- *Third Party Reports*

The WDIP investment team (the “Investment Team”) reviews the property condition report (“PCR”) for any physical deficiencies surrounding the property, with an initial focus on any immediate capital improvement requirements. Generally, we require that the borrower deposit 125% of the cost of any immediate repairs in a reserve account, and the funds are held in escrow. We also typically ensure the borrower completes all necessary repairs. The Investment Team reviews ongoing replacement reserve recommendations provided by the PCR, and typically a requirement to fund appropriate reserves will be incorporated into the loan documents.

We review the environmental site assessment (“ESA”) for any environmental issues surrounding the property. To the extent WDIP notices any environmental conditions that may impair the collateral or require additional due diligence, the Investment Team will ensure such additional diligence is completed. Also, the Investment Team ensures that the borrower adheres to any follow up items or recommendations provided by the ESA.

- *Sponsor Qualification*

The Investment Team conducts a background check for all key principals of the borrower’s sponsor. When reviewing a background check, the Investment Team notes any negative information regarding the sponsor such as prior defaults, outstanding judgments and liens. All negative information is reviewed with senior management and discussed with the sponsor.

- *Legal Documentation*

The Investment Team reviews all attorney-prepared loan documents and entity-level documents, as applicable, to ensure that the business terms in the loan documents or entity-level documents conform to the business terms detailed in the executed term sheet. In that process, the Investment Team pays particular attention towards structure, loan amount, interest rate, lockout period, prepayment provisions, transfer provisions and default provisions.

For each investment for a lender’s title policy is obtained, we work with counsel to ensure that the borrower obtains a title insurance policy in a minimum amount equal to the loan size.

Risk of Loss And Additional Conflicts of Interest

Each Client and Investor bear the risk of loss that WDIP’s investment strategy entails. While the discussion below enumerates certain risk factors that apply generally to an Investment of a Client, the following discussion does not describe all of the risks that may potentially be faced by a Client. Each Client’s Governing Documents contain a detailed discussion of risk factors. Prior to making any investment in a Client or Fund, Investors should carefully review the respective Governing Documents for a full discussion of risks and conflicts of interest specific to such Client. Our institutional bridge loan and debt program investments have similar risks. There can be no assurance that WDIP will achieve the investment objectives of each Client and a loss of investment is possible.

General Risk of Real Estate Investments

Private debt and equity investments involve a high degree of financial risk. There can be no assurance

that investments by any Fund or Separate Account Clients will be profitable or that substantial losses will not occur. The real estate projects and loans in which Fund or Separate Account Clients invest are often dependent on the skills of a small number of executives and are vulnerable to changes in technology, fluctuations in demand for their products, changing interest rates and other factors. There can also be no assurance that the Fund or Separate Account Clients will be repaid, be able to sell or otherwise liquidate its investments at the optimal time or price. Therefore, there can be no assurance that the rate of return objectives of the Clients will be realized or that there will be any return of capital to the Investors or Separate Account Clients.

Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities and other debt instruments which are rated by rating agencies are often reviewed and may be subject to downgrade.

Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. With respect to its floating rate leverage, the Client's investment performance will be affected adversely if WDIP fails to limit the effects of changes in interest rates by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts. The use of these instruments to hedge a portfolio carries certain risks. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment.

Real Estate Risks

Further, investment in real estate debt or equity, including Investor interests in the Funds, will be subject to risks generally associated with investments in real estate, including, but not limited to, national economic conditions, future increases in real property taxes, changes in real estate values, environmental requirements, national and local recession, unanticipated inflationary rates in labor and other costs, unanticipated construction or capital improvement costs caused by changes in zoning laws, building codes and other governmental laws, rules and regulations and force majeure events, such as earthquakes, floods, storms, global pandemic and other weather-related activities which may result in uninsured losses, all of which are beyond the control of WDIP.

Investments may face all the risks inherent in an investment in real property. Investment in the interests in the Funds, or in institutional real estate debt, should be regarded as the placing of funds in a high risk, newly formed, start-up company likely to experience many of the unforeseen costs, expenses, problems and difficulties to which such companies are often subject.

Equity investments in real estate are subject to the risks generally incidental to ownership and operation of income-producing real estate. Real estate values are affected positively or negatively by a number of factors, including:

- Local market conditions (such as an oversupply of space or a reduction in demand for

- space);
- Competition based on rental rates;
 - Changes in economic conditions affecting real estate ownership directly or affecting the demand for real estate;
 - Environmental and waste hazards;
 - Liquidity level of Investments;
 - The availability of cash from operations sufficient to meet fixed obligations;
 - Changes in the global macro-economic climate;
 - Financial condition of tenants;
 - The perceived attractiveness of the properties and their location;
 - The need for unanticipated expenditures in connection with environmental matters;
 - Changes in real estate tax rates and other operating expenses;
 - Adverse changes in laws, governmental rules (including those governing usage, improvements, zoning and taxes) and fiscal policies;
 - Acts of nature, including earthquakes, fires, climate risks of cyclones, storm surge/sea-level rise, floods, wildfires, heat stress and water stress (which can result in uninsured losses and can negatively impact investor interest, occupier demand, operating expenses and capital expenditures);
 - Man-made exposures such as wars, riots, or acts of terrorism;
 - Energy and supply shortages;
 - Uninsured losses or delays from casualties or condemnation;
 - Structural or property level latent defects;
 - Changes in the broader perception of commercial properties as an investment class;
 - Quality of maintenance, insurance and management services; changes in interest rate levels and the availability of mortgage funds which has the potential to render the sale or refinancing of properties difficult or impracticable; and
 - Other factors that are beyond the Firm's control.

Debt investments share these risks indirectly as such risks have the potential to affect the value of underlying collateral. However, many debt investments are, to certain degrees, isolated from such risks given their senior positions in the capitalization of such collateral relative to the equity ownership position.

Market Risks and Economic Conditions

The ability of any WDIP Client to make investments will be driven in significant part by economic conditions in the United States, which will fluctuate with local and national economic conditions, such as job availability, interest rates and inflation rates. Other risks may include loss of the underlying property due to force majeure events, global pandemic, terrorist attack or other destructive forces, credit market disruptions, the U.S. National Deficit, acts of the U.S. Congress or other political bodies, rising energy prices or any other factors that affect the value of real estate.

Market and Competition

Market demand and competition for transactions in which the Fund and Separate Account Clients invest may fluctuate such that deal flow may not be adequate to allow the Funds and Separate Accounts to make investments in sufficient volume or at sufficient profit, or to make distributions to the Investors. Moreover, cash flow from fund operations is dependent on making investments. There are and will be no other assets available for generating profits for our Clients.

Commercial Mortgage Loans

The risk of loss on an investment in a commercial mortgage loan will be largely dictated by whether the borrower is delinquent in its payment obligations or otherwise defaults on the loan and the severity of losses incurred as a result of the same. Factors influencing defaults and the resulting severity of losses include a broad range of factors, including (i) economic and real estate market conditions and their corresponding effects on property values, (ii) the terms and structure of the loan itself, and (iii) the lender's ability to realize upon the real property collateral securing the loan. The performance of any given commercial mortgage loan will be materially affected by the ability of the underlying property to attract and retain tenants and the ability of tenants to make their lease payments. The failure to properly underwrite the value of the underlying real property when making loans will impact the likelihood of a loan default and loss on investment.

Commercial mortgage loans are generally not fully amortizing and therefore may have a significant principal balance or "balloon" payment due on maturity. Such loans involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower's equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property.

Commercial mortgage loans generally are non-recourse to borrowers. In the event of foreclosure on a commercial mortgage loan, the value of the collateral securing the loan at the time of foreclosure may be less than the principal amount outstanding on the loan and the accrued but unpaid interest thereon. Although recourse is typically allowed against a borrower affiliate guarantor with respect to certain actual losses and, in some cases, the entirety of the outstanding obligations to the lender, the terms and scope of such recourse guaranties are subject to substantial commercial negotiation and can be practically difficult to enforce in a court of law.

Although a lender will have certain remedies upon a borrower default, including foreclosing on the underlying property in the case of a commercial mortgage loan or an agricultural loan, certain contractual requirements, legal requirements and borrower defenses can limit the ability of the lender to effectively exercise such remedies. The laws with respect to the rights of debtors and creditors in certain jurisdictions in which a debt fund invests may not be comprehensive or well-developed, and the procedures for the judicial or non-judicial enforcement of such rights may be of limited effectiveness resulting in the potential for losses on defaulted loans. If the lender acquires title to an asset through foreclosure, it may be subject to the burdens of ownership of real property, which include paying expenses and taxes, maintaining the asset, and ultimately disposing of the asset. No assurance can be given that there will be a ready market for the sale of any real property acquired by a lender pursuant to a foreclosure or, if the property can be sold, that any such sale will be made at a price sufficient to cover all of the borrower's obligations to the lender under the defaulted loan.

Possible Environmental Liabilities

Certain Investments may be subject to various risks under environmental laws resulting from prior uses or other causes. Under various federal, state, and local laws, ordinances, and regulations, the Sponsors or the Funds may be liable for the costs of removal or remediation of, or contamination by, certain hazardous or toxic substances emanating from the real property held by the Fund or a special purpose entity, or from nearby properties owned by others, regardless of whether WDIP or any of its affiliates knew of such contamination. Such liability could exceed the value of the asset and/or the

total assets of the applicable Fund or adversely affect the applicable Fund's ability to sell the asset, or to refinance any indebtedness using the asset as collateral. However, WDIP generally performs environmental assessments prior to investment as part of the due diligence process.

Legal and Regulatory Risks

The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulation that would impact the business of the Firm and its Clients. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules, that if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Firm and our Affiliates, and Clients and/or their Investments, as well as increasing expenses. Significant time and resources may be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to Clients and Investments.

Economic sanction laws in the U.S. and other jurisdictions could prohibit the Firm, our employees, and Clients from transacting with or in certain countries and with certain individuals and companies. In the U.S., the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list is amended from time to time, can be found on the OFAC website at (www.treas.gov/ofac). In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions could restrict a Client's investment activities.

In some countries, there is a greater acceptance than in the U.S. of government involvement in commercial activities, and of corruption. The Firm is committed to complying with the Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which it or its Clients are subject. As a result, a Client could be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations could make it difficult in certain circumstances for the Client to act successfully on investment opportunities and for portfolio entities to obtain or retain business. While the Firm has developed and implemented policies and procedures designed to promote strict compliance with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Firm's policies and procedures, in the case of joint ventures or other instances where the Firm or its Affiliate does not fully control an Investment, such other entities or persons could engage in activities that could result in FCPA violations.

Reliance on Management

WDIP's success is heavily dependent on its Principals. The Investors will not have any right to participate in the management of their respective WDIP or JCR Fund's business. Because the success of any WDIP Client will be dependent, in large part, upon the personal efforts and abilities of the Principals, if one or more of them were no longer affiliated with WDIP and if no suitable substitutes were found to replace them, the Investors' interests in the Funds or any assets managed by WDIP could be adversely affected.

Risk Related to Commercial Loan Servicing

Commercial loan or mortgage servicing poses financial risks related to the administration of commercial real estate loans, including the possibility of accounting errors, calculation payments, and default risk of the borrower. There are also potential conflicts of interest related to WDIP acting as the loan originator, asset manager and/or WDIP or its affiliate Walker & Dunlop, LLC acting as servicer or sub-servicer. Such conflicts are mitigated through approval of all loan servicing agreements.

Fees

The return to the Investors from investing in any Fund or Separate Account will be affected by the Management Fees, Carried Interest, Separate Account fees and other applicable costs and expenses payable to WDIP.

Time Required to Maturity or Deployment of Investment

Any Fund's maturity phase may be long, and investments are generally highly illiquid. As such, it may take many years from the date of the initial closing of any Fund for Investors to receive a return of capital and profits, if any. In addition, Investors' called capital or invested capital returned to the Fund may sit in cash or cash equivalents for some time until deployed into real estate investments or distributed to Investors creating a drag on such Fund's internal rate of return ("IRR").

Default Risk

WDIP may issue debt securities (loans) as part of its investment program. As with any loan, adverse economic or business developments may adversely affect the ability of such borrowers to comply with their loan repayment obligations, as well as the ability of Sponsors or borrowers to obtain credit at desired levels, cost or terms.

Concentration Risk

Fund and Separate Account Clients could be impaired by the concentration of investments in a particular obligor, company, asset class or geographic location. In addition, defaults may be highly correlated with certain obligors, asset classes or geographic locations, which can affect payments on the loans, the overall timing and amount of collections on the loans or realization of capital recovery or profits on investments held by Funds or a Separate Account Client.

Leverage Risk

In most circumstances, our Investments employ leverage to reduce the equity investment requirement and seek to enhance returns and diversification. While the use of leverage can enhance returns and increase the number of Investments that can be made, leverage increases the exposure of an Investment to adverse economic factors such as rising interest rates and downturns in the economy or in the Investment itself. As an Investment incurs indebtedness, it will become subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments, that existing indebtedness will not be able to be refinanced or that the terms of that refinancing will not be as favorable as the terms of existing indebtedness. Debt financing can restrict the amount of funds available for distribution to clients. In addition, there is a risk of loss of principal to the extent of any deficiency between the underwritten value of the collateral and the principal and accrued interest of the mortgage or other loan.

Fund or Separate Account level leverage (also referred to as a "NAV Facility") involves borrowing capital at the fund level to invest in real estate debt instruments and related investments. The use of

fund level leverage may provide the Fund with additional capital to pursue investment opportunities and potentially increase the overall returns for investors. Leverage generally magnifies both a Client's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. During periods of market stress or liquid illiquidity, a Fund may face difficulties in refinancing or renewing its existing borrowings, potentially leading to liquidity constraints.

The use of leverage by a Client typically will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Client or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Client generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by the Advisor or any of our affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Lack of Market Liquidity

There is no organized public market for the interests in any Fund and it is not expected that any organized public market will develop in the future.

WDIP has executed an agreement with Earn.re, a real estate fund Governing platform, to market interests in certain Funds to qualified investors ("Platform"). Earn.re will digitize fund units owned by investors who subscribe through Earn.re into digital tokens or units to make secondary transfers of fund interests more efficient. This program has no impact on investors who do not subscribe through the Earn.re platform and such investors are not subject to any additional fees. There are risks associated with converting fund interests through a digital platform. Each such risk is described in detail in the Client Governing Documents and include generally, without limitation: The Platform technology used for the issuance and management of the equity platform units may not function properly, or may be subject to delay, interruption; the Platform is subject to cyberattacks, security risks and risks of security breaches which could have an adverse effect on holders of Platform units; the Platform utilizes blockchain technology. Use of blockchain technology is relatively new and is untested; transfer of Platform units is subject to the fund's transfer restrictions set forth in its LPA; and risk of regulatory changes affecting the Platform units.

Technology and Cybersecurity

We are dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities we maintain to protect the confidentiality, integrity and availability of our computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack, or an internally caused incident, such as a failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential Client or competitive information. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, the General Partners,' the Funds' and/or service providers'

operations, including the ability to make distributions to Investors. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications heightens these risks, and the risks of attack are expected to be heightened in remote work environments.

Due to the complexity and interconnectedness of our systems with our parent company (W&D) that manages out information technology systems, the process of upgrading existing capabilities, developing new functionalities and expanding coverage into new markets and geographies, including to address Client, Investor, or regulatory requirements, can expose us to additional cyber and information security risks or systems disruptions. Although we have implemented policies and controls, and taken protective measures, to strengthen our computer systems, processes, software, technology assets and networks to prevent and address data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these methods prove effective.

Due to our interconnectivity with our parent company (W&D), third-party vendors, and other financial institutions, we can be adversely affected if any of them are subject to a successful cyber-attack or other information security event. We also routinely transmit and receive personal, confidential or proprietary information by email or other electronic means. We collaborate with vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, we cannot ensure that our protections or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against us or our vendors, including interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations. This could also potentially result in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of Client Governing Documents, reputational harm or legal liability. Many jurisdictions in which we operate have laws and regulations related to data privacy, cybersecurity and protection of personal information. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against us.

Restrictions on Transfer

The Clients' Governing Documents contain transfer restrictions on the Fund or Separate Account interests. Investors may be required to pay a transfer fee for each proposed transfer of their Fund or Separate Account interests, which fee shall be non-refundable, notwithstanding that a transfer may not be subsequently approved. Any transfer of Fund or Separate Account interests is subject to prior compliance with or exemption from applicable securities laws and the condition that the transfers will not result in a termination of the applicable Fund or Separate Account for federal income tax purposes or otherwise adversely affect the tax status of the Fund or Separate Account. The refusal of WDIP to make a "Section 754 Election" to adjust the basis of any Fund or Separate Account property upon a transfer of an Investor's interests in such Fund or Separate Account may create adverse tax consequences to the transferee and thereby pose an additional impediment to the transferability of the interests. In addition, an Investor generally may not withdraw his, her or its capital contribution from the Fund or Separate Account prior to dissolution.

No Guarantee of Distributions

Investors may not receive any cash distributions (except for Management Fees for WDIP). Further, Investors may be allocated profits, resulting in taxable income to such Investors, but not receive any distributions from the applicable Fund or Separate Account to pay such taxes. Any distributions are totally dependent upon receipt of proceeds from loans and equity investments made or acquired by

the applicable Fund or Separate Account. There are no assurances that any Fund will receive repayment of any loans made or acquired by such Fund or Separate Account.

Timing of Co-Investment Distributions

In connection with any Co-Investment Fund Entities investing alongside a Fund or Separate Account (each, a “Co-Investor”), when an investment generates income, a return of capital or is realized (“Receipts”), WDIP will distribute such Receipts to the applicable Fund or Separate Account and the Co-Investor simultaneously. Due to administrative functions that must be performed at the Fund-level, Co-Investors have received, and may in the future receive, these Receipts before the Investors in the applicable Fund or Separate Account. The Co-Investor’s Receipts are distributed to such Co-Investor, and the applicable Fund or Separate Account receive its pro-rata portion of such Receipts. At that time, the General Partners have discretion to recycle funds received by the Fund to make new investments or distribute excess capital to the Investors.

Limited Rights of Investors

Investors will be unable to exercise any management functions with respect to the Clients. The rights and obligations of the Investors are governed by the provisions of the Delaware Uniform Limited Partnership Act and other applicable Delaware statutes and by the respective Client’s Governing Documents. Investors will have limited rights to remove the General Partner, as set forth in the respective Governing Documents.

Investors' Potential Liability to Creditors

An Investor’s liability to creditors of a Fund is limited to the Investor’s capital contribution and undistributed profits. However, if an Investor has received distributions as a return of its capital contribution, such Investor may be required by the Delaware Uniform Limited Partnership Act and other applicable Delaware statutes to make a contribution of the returned contribution to the applicable Client to the extent necessary to discharge certain of such Client’s liabilities to creditors. In addition, the Funds utilize affiliated and third-party subscription line credit facilities for which Investor uncalled capital commitments serve as the collateral, and such creditors will have contractual rights to cause WDIP to call committed capital to satisfy credit obligations (see below for information regarding WDIP’s use of affiliated subscription line lenders).

Indemnification Obligations

Clients are typically obligated to indemnify WDIP and our Affiliates and agents against certain civil liabilities, including those under the Securities Act and the Securities Exchange Act of 1934, as amended, and certain other potential liabilities. If a Client is required to indemnify WDIP or such other parties, such Fund would have to expend its capital, thereby reducing the amount of funds available by the Client to invest or to distribute to the Investors.

Valuation of Fund Investments

Most private equity and real estate investments are highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner or at all. As such, disposition of any investments may take a lengthy period of time or result in in-kind distributions. Such illiquid investments typically do not have independently verifiable prices by which WDIP can rely on to determine the current fair market value of such securities.

The value of Client assets is determined by the WDIP and JCR Capital valuation committees, respectively, in such manner as each valuation committee deems fair and reasonable. In making

valuation determinations, WDIP may use affiliated or unaffiliated pricing services, brokers, market makers or other intermediaries as it shall determine. WDIP may amend or replace those policies, or deviate from them, in its sole discretion. WDIP has a conflict of interest in that it may receive a higher carried interest if the investments are given a favorable valuation.

Use of Third-Party Marketers

WDIP has and may enter into fee sharing arrangements with third-party marketers, finders, placement agents or solicitors who refer Investors to WDIP to invest in a Client or to establish a Separate Account. Such third-party marketers may have a conflict of interest in advising prospective investors whether to purchase Fund interests.

Environmental, Social and Governance Risks (“ESG”)

While we and our Clients do not pursue an ESG-based investment strategy, the Firm may consider sustainability factors when making an investment decision and follow certain standards of responsible investing in managing certain Clients, provided they are consistent with the Clients interests and investment objectives. Such standards may encourage or require us to follow certain ESG or similar practices where appropriate, including in investing and managing Investments. To the extent we apply ESG factors to investment decisions, such are qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Firm, or any judgment exercised by the Firm, will reflect the beliefs or values of any particular Investor. There are also significant differences in interpretations of what ESG characteristics mean by region industry and topic, as well as interpretations of their scope and materiality. The Firm's interpretations and decisions are expected to differ from others' views and could also evolve over time.

Catastrophe and Climate Change Risk

Certain properties can be located in areas which are susceptible to natural disasters such as floods, hurricanes, tornados or fires. Although it is not possible to predict the future of the frequency or adverse impact of disasters that may affect real estate properties, these types events may not only damage real estate properties but could also impact the broader economy in the region, and could include, possible destruction of property, negative economic impact, and population migration, among other adverse factors. Any destruction of or adverse impact to a real estate property resulting from potential disasters may adversely impact an investment's receipt and benefit of positive growth and performance.

Sustainability Risk

Sustainability risk means an ESG event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of an Investment. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to such risk, including market, liquidity or operational risks.

With regards to an environmental event or condition, real estate could be severely damaged or destroyed by physical climate risks, including climate change that could materialize as either singular extreme weather events (for example floods, storms and wildfires) or through long-term impacts of climatic conditions (such as precipitation frequency, weather instability and rise of sea levels).

Furthermore, transition risks can affect real estate assets through the adjustment to a low carbon economy. For example, political decisions could increase energy prices or lead to higher Investment

costs due to necessary refurbishments of real estate to meet enhanced energy efficiency requirements (caused by local, national, regional or global legislation). Transition risks could also lead to a reduction in demand for energy inefficient real estate. The market value of real estate may also be negatively affected by sustainability risks, for example through adverse changes in revenues, higher costs or impaired valuations and sales prices.

Environmental Risks

An Investment could be exposed to substantial risk of loss from undisclosed or unknown environmental, health, or occupational safety matters, or inadequate reserves or insurance for such matters. Under various U.S. federal, state, local and non-U.S. laws, ordinances and regulations, an owner of real property could be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws could impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved.

Such liability could also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental claims with respect to a specific Investment could exceed the value of the Investment, and under certain circumstances, subject the other assets of the Client to such liabilities. In addition, some environmental laws create a lien on contaminated property in favor of governments or government agencies for costs they could incur in connection with the contamination.

The cost of investigation, remediation, management or removal of hazardous or toxic substances is potentially substantial and could adversely affect the ability to sell or lease an Investment or obtain financing. The presence of such substances, or the failure to properly remediate contamination from such substances, could adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Client's return from such Investment.

The ongoing presence of environmental contamination, pollutants or other hazardous materials on a property (whether known at the time of acquisition or not) could also result in personal injury (and associated liability) to persons on the property and persons removing such materials, future or continuing property damage (which could adversely affect property value) or claims by third parties, including as a result of exposure to such materials through the spread of contaminants.

In addition, certain Client's operating costs and performance could be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to investments of such Clients, including additional compliance obligations arising from any change to such statutes, rules and regulations. Statutes, rules and regulations could also restrict development of, and the use of, property. Certain clean-up actions brought by federal, state, county and local agencies and private parties could also impose obligations and result in additional costs to the Client.

Harmful Mold and Other Air Quality Issues

Under various laws, ordinances and regulations of the jurisdictions in which the Firm operates, an owner of real property may be liable for the costs of removal or remediation of certain harmful mold in such property. Such laws may hold the owner liable regardless of whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property. Our Sponsors often perform extensive physical testing to detect harmful mold surface exposure. However, when excessive moisture

accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to radon, airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the properties could require undertaking a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a Client to liability from tenants, employees of tenants and others if property damage or health concerns arise.

General Litigation Risk

Real property owned or leased by an Operating Entity may be vulnerable to potential litigation arising from disputes about the acquisition, development, construction, rehabilitation, operation, maintenance and disposition of the Investment Properties. Disputes or litigation may include construction problems or delays, violations of federal, state or local ordinances, property tax valuations and assessments, rents or profit controls, disputes regarding the terms of lease agreement with lessees or any other contract or other agreements affecting the properties. Disputes or litigation may also arise as a result of injuries sustained by lessees or other individuals present on a property. Regardless of the outcome of any future actions, claims, or investigations, the subject Operating Entity, the Fund and the Fund Managing Member may incur substantial defense costs and such actions may cause a diversion of management time and attention. Also, it is possible that such Operating Entity, the Fund and the Fund Managing Member may be required to pay substantial damages or settlement costs which could have a material adverse effect on their respective financial condition and results of operations.

Service Provider and Banking Relationships

WDIP, and our investment advisory Clients, including the Funds and Separate Accounts use several third-party service providers, banks and custodians to manage assets and cash. The failure of a bank or custodian could lead to loss of cash or securities held by Clients above FDIC and/or SIPC insurable deposits or limits.

Subscription Lines

A Fund is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's Investments). Fund-level borrowing subjects Investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Investors, Investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Investor claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional expenses that will be borne by Investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription

line's interest rate is based in part on the creditworthiness of the relevant Fund's Investors and the terms of the Governing Documents, it may be higher than the interest rate an Investor could obtain individually. To the extent a particular Investor's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact an Investor's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for Investors to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partners and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the Investors or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of an Investor's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, which could affect the implementation of the Fund's investment strategy. In addition, to secure a subscription line, the relevant General Partners may request certain financial information and other documentation from Investors to share with lenders. The General Partners will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Investors. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

To date, WDIP has not employed leverage at the Fund level, but each Fund may obtain leverage at the investment level ("NAV Facility"). In addition, the Funds may obtain a credit line for which Investor uncalled capital commitments, but not Fund investments, serve as the collateral (sometimes referred to as a subscription line of credit, or "Subscription Facility"). Subject to the terms and limitations set forth in the respective loan agreement, WDIP has discretion regarding management of such credit facilities, the use of credit extension proceeds, and the duration credit extensions remain open. In rare cases, Affiliates, Co-Investors or other third parties have, and may in the future, provide capital to Funds to facilitate the closing of a transaction, and such parties will be reimbursed by the Funds for their respective pro-rata share of capital provided. WDIP anticipates employing fund/REIT-level leverage within Fund V.

WDIP and our Affiliates may receive certain fees and income in connection with Fund investments and proposed investments, such as Management Fees or Carried Interest. While certain of such fees and other income will be deemed received for and on behalf of the respective Fund and shall be paid to the Fund, conflicts may arise in connection with the payment of such fees and other income.

Because Management Fees may be, and are, charged on capital commitments rather than invested capital during the investment period, projected or estimated Fund-level IRR calculations must take into account both current investment and our best estimate of future Fund investments, and WDIP must make certain assumptions, which may turn out incorrect, in calculating projected or estimated IRR for such Funds.

WDIP has entered into a subscription credit facility agreement with Walker & Dunlop, LLC to provide a subscription line of credit to the W&D Real Estate Opportunities Fund, L.P and its parallel vehicles (“Fund VI”) to make investment and fund expenses prior to calling investor capital (similar to the line of credit previously provided by a large third-party subscription lender for our other funds). It is expected that Walker & Dunlop Investment Management, LLC (“WDIM”), the sole shareholder of the Investment Manager and an indirect owner of the General Partners, will provide the Subscription Facility as the subscription lender and/or NAV Facility as NAV Facility lender. This is a related party/affiliate transaction and conflict of interest which is disclosed in each Fund’s PPM and authorized in its Governing Documents. We believe this is in the best interest of investors because it allows the Funds to make substantial investments without requiring investors to fund a significant portion of their capital commitments early in the investment period. All fees earned by Walker & Dunlop, LLC or WDIM will be at or below market rates and there will be an interest rate cap on the line of credit. Fees earned by Walker & Dunlop, LLC and WDIP will not offset WDIP Management Fees.

Public Health Emergencies

Any public health emergency, including any outbreak or the threat of outbreak of coronaviruses, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, could have a significant adverse impact on a Client’s Investments. The extent of the impact of any public health emergency on the operational and financial performance of a Client and its Investments will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency can materially and adversely impact the value and performance of an account’s investments as well as the ability to source, manage and divest investments and achieve the account’s investment objectives, all of which could result in significant losses to the Client.

Other Actual and Potential Conflicts of Interest

In addition to those conflicts of interest described in Items 4 and 5 above and Item 11 below, with reference to the General Partners and WDIP, an “Affiliate” is (i) each member or employee of the General Partners or WDIP, including the Principals; (ii) any corporation, association, limited liability company, partnership or other entity of which the General Partners, WDIP or any member or employee of the General Partners or WDIP has direct or indirect control or is, directly or indirectly, a general partner, officer, or director; and (iii) any other person controlling, controlled by, or under direct or indirect common control with any of the foregoing. With reference to an Investor, an “Affiliate” means any person controlling, controlled by, or under direct or indirect common control with such Investor.

As discussed in Item 10 below, WDIP is a wholly owned subsidiary of W&D and affiliate of other W&D subsidiaries. This affiliation creates material conflicts of interest. See Item 10 below a detailed discussion of conflicts of interest related to WDIP’s affiliation with W&D.

In addition to those conflicts discussed in Item 10, WDIP intends to engage Apprise, W&D's affiliated commercial real estate appraisal provider, to provide investment-level appraisals for WDIP and JCR Capital Funds and Separate Account property investments and loan collateral. WDIP also intends to engage Apprise to provide third-party investment fair-market valuation and pricing services to the WDIP and JCR Capital Funds and respective valuation committees. These affiliated company conflicts of interest are mitigated through disclosure and paying market rates for such services.

Conflicts of interest could arise in connection with investments for Clients, Co-Investment entities and other investment vehicles with which WDIP and its employees, the General Partners or their Affiliates are currently, or may in the future be, involved. These investments could differ in substance, timing, and amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to the Fund and Separate Account Clients, or to limitations on the availability of particular investment opportunities.

WDIP or our Affiliates will allocate investment opportunities among its various Client accounts in accordance with our investment allocation policies, which are updated from time to time, and in a manner they believe to be as equitable as feasible, considering each Client's objectives, programs, limitations in the applicable Client agreements, and capital available for investment. Nonetheless, all accounts will not necessarily be invested in the same portfolios. WDIP's parent company, W&D, originates senior multi-family mortgage loans for non-advisory Clients or joint venture relationships which are not included in WDIP's investment opportunity pipeline and which are not subject to WDIP's investment allocation policies.

Any material conflicts of interest that arise between a Fund or particular investors, on the one hand, and the General Partners or WDIP and their respective Affiliates, on the other hand, will be discussed and resolved on a case-by-case basis by WDIP and/or the Principals. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflicts. A Fund's LPAC may be requested by WDIP to review certain transactions involving potential conflicts of interest in accordance with the applicable LPA.

WDIP supervised persons, including the Principals, may invest in other real estate investment vehicles managed by other advisers with approval of the WDIP CCO. In some cases, real estate professionals from other investment firms, or unaffiliated private funds, may also be investors in the Funds.

In some cases, it may be possible for a Fund or Separate Account to hold an equity interest in an investment that has an agency loan or other type of senior loan that was originated and serviced by W&D or its affiliate. In such cases, the interests of such Fund or Separate Account may be in direct conflict with W&D or such affiliate. See Item 10 below for additional information regarding conflicts of interest with W&D.

With respect to the WD-JV, a conflict of interest exists because W&D will take primary responsibility for origination and underwriting the first trust agency debt and WDIP will benefit from the W&D origination and underwriting resources and information in making its investment recommendations to the WD-JV. W&D will earn customary fees for origination, underwriting and servicing of the first trust loans. WDIP will separately earn its fees described above. This conflict is mitigated by information sharing protocols and procedures, and the requirement that if WDIP is required to exercise its take over or control rights over the property or Sponsor, W&D is required to relinquish its servicing rights on the first trust loan. This conflict mitigation procedure has been approved by Freddie Mac and Fannie Mae and the Client.

Advisory Committees and Investment Committees

WDIP has discretion to appoint limited partner advisory committee (“LPAC”) and Investment Committee members. LPAC members can be affiliated with WDIP. Upon selection, WDIP will promptly notify the Investors of the identity of all LPAC members, including the LPAC member representatives, and any related conflicts of interest. Conflicts of interest regarding any individual’s membership on the Investment Committee and/or LPAC are evaluated by the Conflicts Management Committee, and if appropriate, each Fund’s LPAC. Further, the composition of an LPAC of a Fund may have substantial overlap with the composition of a LPAC for another Fund, which could lead to conflicts of interest if there are transactions between such Funds that require LPAC approval.

The Fund Governing Documents generally provide that, to the fullest extent permitted by law, none of the LPAC members owe any duties (fiduciary or otherwise) to any other investor in respect of the activities of the LPAC, other than the implied contractual covenant of good faith and fair dealing.

WDIP or 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 Funds and other Clients that will not be subject to any Management Fee offset or otherwise shared with the Clients and/or investors. For example, airline travel or hotel stays incurred as an account expense 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 WDIP and/or such personnel even though the cost of the underlying service is borne by the Funds, other accounts and/or investors.

Item 9 Disciplinary Information

We are required to disclose to you if we have any legal or disciplinary events involving the firm or our officers or employees that are material to your evaluation of our advisory services and the integrity of our management. As of the date of this Brochure, we have no disciplinary or legal events required to be disclosed.

Item 10 Other Financial Industry Activities and Affiliations

A full list of all affiliations is available on our ADV Part I, Schedule D, Items 7.A and 7.B. Please see www.adviserinfo.sec.gov.

W&D Investors I, LLC (“WD I”) serves as the General Partner of the WDIP Fund VI and our affiliates and W&D Real Estate Opportunities Co-Invest Fund, L.P. and is affiliated with WDIP. W&D Investors VII, LLC (“WD VII”) serves as the General Partner of the WDIP Fund VII and its affiliates and is affiliated with WDIP. WD I and WD VII are registered in accordance with SEC guidance under the Advisers Act pursuant to WDIP’s registration. JCR Capital Investment Company, LLC serves as the General Partner of the JCR Funds and their affiliates and is affiliated with WDIP. Each General Partner is registered in accordance with SEC guidance under the Advisers Act pursuant to WDIP’s registration.

ASI Adviser LLC (“ASI”) is an exempt reporting adviser owned by a subsidiary of Walker & Dunlop, Inc. ASI Ozone GP 1, LLC is the general partner of the Alliant Strategic Opportunity Zone Fund I, LLC for which ASI serves as investment adviser. Walker & Dunlop employees are engaged to provide non-advisory support services to ASI and its fund clients including operational and compliance support fund accounting and administration and asset management services.

Walker & Dunlop Commercial Mortgage Manager, LLC; Walker & Dunlop Commercial Property Funding, LLC; and Walker & Dunlop Multifamily, Inc., including other wholly owned SPEs and other W&D Interim Lender, LLC SPEs (collectively, “W&D Commercial Loan Originators and Servicers”) are commercial real estate origination and servicing entities owned by Walker & Dunlop,

Inc.; W&D BE, Inc.; Walker & Dunlop Investment Sales, LLC; WDIS, Inc., and Walker & Dunlop, LLC (collectively, “W&D RE Brokers”) are real estate broker entities owned by Walker & Dunlop, Inc. (Walker & Dunlop entities collectively referred to as “Walker & Dunlop” or “W&D”). W&D provides a variety of services directly or indirectly to Funds or advisory Clients. W&D’s ownership of, and affiliation with, WDIP creates conflicts of interest with WDIP’s Clients, and the Funds as described below.

Walker & Dunlop, Inc, through special purpose holding entities WDIB-Investor, LLC and WDIB, LLC, purchased a majority controlling interest in Zelman Holdings, LLC. and its affiliate Zelman Partners, LLC (“Zelman”) in July of 2021. As such WDIP and Zelman are under the common control of Walker & Dunlop. Zelman Partners, LLC (CRD# 145187) is a registered broker dealer which engages in the following types of business: underwriter or selling group participant (corporate securities other than mutual funds), private placement of securities, and broker or dealer selling interests in mortgages or other receivables. Although none currently, WDIP expects its capital raising supervised persons who are primarily engaged in private placements of securities and hold FINRA licenses to become registered representatives of Zelman to engage in the solicitation and sales of WDIP’s private fund limited partnership interests. Zelman will not receive a commission on such sales. WDIP does not currently have any supervised persons who are primarily engaged in the sale of WDIP Funds or the private placements of securities.

The WDIP Board includes Richard Lucas (W&D’s EVP, General Counsel and Secretary), Stephen Theobald (W&D’s EVP and Chief Operating Officer). Mr. Lucas and Mr. Theobald are executive officers of Walker & Dunlop. WDIP supervised persons are employees of Walker & Dunlop, LLC which will provide other corporate services to WDIP. W&D provides certain corporate services and oversight to WDIP but is not involved in the day-to-day management of the company.

Special Purpose Entities

To the extent necessary to address tax or regulatory considerations, WDIP may create one or more parallel funds or special purpose vehicles or entities with terms and conditions generally comparable to those of the respective Fund. The terms of such parallel funds or special purpose entities may vary from the terms of the Fund, however, based in part on the structure of the relevant transactions, legal requirements and tax, accounting, business, regulatory or other considerations.

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

Code of Ethics

WDIP has adopted a code of ethics (“COE”) pursuant to Rule 204A-1 of the Advisers Act. We will provide a copy of our COE to any Client or prospective Client upon request. Our COE recognizes that as an investment adviser to the Funds, WDIP and its supervised persons have a duty to place the interests of the Funds ahead of their own, and an obligation to address and mitigate conflicts of interest or the appearance thereof. The COE sets out standards of conduct, both business and personal, for each supervised person and any Investment Committee member and addresses conflicts of interest that may arise from personal trading of securities by supervised persons or any Investment Committee member and provides for disciplinary sanctions for COE violations. All supervised persons and Investment Committee members must acknowledge the terms of the COE initially upon hire or appointment and annually thereafter. We require all supervised persons to provide information on trade activity in reportable personal accounts, and to also provide quarterly transaction reports and annual securities holdings reports to the Chief Compliance Officer (the “CCO”).

The COE includes, among other items, the following:

- Reporting of employee personal securities transactions;
- Pre-clearance and reporting of outside business activities;
- Preclearance and restrictions on employee political contributions;
- Requirements related to confidentiality; and
- Limitations on, pre-clearance and reporting of gifts and entertainment.

The COE is available to any existing or prospective Investor upon request by contacting the Firm's CCO at (303) 802-3533 or RIAcompliance@walkerdundlop.com.

Managing Conflicts of Interest

We act in a variety of capacities on behalf of our Clients, utilize various Affiliates and Related Entities to provide services to the Firm and Clients, and Affiliates and Related Parties have interests in the Firm, its affiliates and various other Affiliates and Related Entities. We seek to continuously monitor resulting actual and potential conflicts of interest that arise from these services and roles. Not all potential, apparent and actual conflicts of interest, however, are described in this section, and additional conflicts could arise as a result of new activities, transactions or relationships. In particular, additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry can be identified, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines, enters into new business relationships with Affiliates and Related Entities and third parties, and otherwise adapts to dynamic markets, and an evolving regulatory environment and new legal and tax-related developments. A more complete and detailed description of applicable conflicts of interest specific to a Client is included in that Client's Governing Documents, which Investors are encouraged to consult.

A conflict of interest arises when the Firm, its Affiliates and Related Parties and/or Related Entities have an incentive to advance one interest at the expense of another, which might mean an incentive to serve the interest of the Firm, Affiliates and Related Party or Related Entity over that of our Clients and/or Investors, serve the interest of one Client or Investor over that of another, or an incentive on the part of an employee or group of employees to serve their own interests over those of the Firm or its Clients or Investors. We have discussed various potential conflicts of interest and how we manage them in other sections of this Brochure. The following describes other conflicts and how they are managed.

Allocation of Personnel

The Firm and our employees devote such time to a Client as we determine to be necessary. The Firm's personnel, including members of the Investment Committees, work on other projects and initiatives, serve on other committees, source potential Investments for, and otherwise assist in the investment programs for other funds and clients, including for our Affiliates and Related Parties. Time spent on these other initiatives diverts attention from the activities of Clients, which could negatively impact Clients and their Investors. WDIP derives financial benefit from these activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time by our employees.

Outside Activities of Principals and Employees

Certain of our officers and employees engage in outside business activities, including outside directorships. Such outside business activities could impact the relevant individual's impartiality in performing their duties on behalf of the Firm. We could also be restricted from acquiring or disposing of Investments on behalf of a Client if an officer or employees obtains confidential or material, non-public information as a result of an outside business activity. To manage these potential conflicts, all outside business activities are subject to prior approval pursuant to the Code, and we have conditions that may be imposed, such as a requirement for the individual to recuse themselves from participating in making certain decisions, as a condition of the outside business activity being approved.

Our employees are permitted in certain situations to invest in alternative investment funds, private equity funds, real estate funds and other investment vehicles, as well as securities of other companies, some of which could be considered competitors of the Firm, its Clients, and/or WDIP. Clients will not receive any benefit from such investments, and the financial incentives of these personal investments could be equal to or greater than the employees' financial incentives in relation to a Client. Personal securities transactions are subject to pre-clearance under the Code and potential conflicts are considered in determining whether to approve the private transaction.

Certain of our employees have family members or relatives that are actively involved in industries and sectors in which Clients invest, or have business, personal, financial or other relationships with companies in such industries and sectors (including advisers and service providers to the Firm and its Clients). This gives rise to potential or actual conflicts of interest. For example, such family members or relatives can be officers, directors, personnel or owners of companies or assets which are actual or potential Investments of Clients or other counterparties of Clients. In certain instances, a Client will purchase or sell assets from or to entities in which those family members or relatives have other involvement. In most circumstances, a Client's Governing Documents will not preclude a Client from undertaking any of these investments or transactions.

Buying and Selling Investments from Certain Related Entities

Clients, Investors, and Related Entities on occasion engage in transactions with one another. For example, from time to time, a Client will purchase, transfer, or sell an Investment to another Client or to a Related Entity; an Investor will purchase, sell or transfer an Investment to a Client, or a seed portfolio ("Seed Portfolio") will be temporarily warehoused by a Client or Related Entity and subsequently transferred to a Fund or other Client (each, a "Related Entity Transaction" and collectively, "Related Entity Transactions"). These Related Entity Transactions involve conflicts of interest, as there are different financial incentives, and we will receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

A Related Entity Transaction is done only if: (i) we determine the transaction to be in the best interest of participating Clients; (ii) the Related Entity Transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to all parties; (iv) consent is obtained from the appropriate parties as required under the relevant Governing Documents and applicable law; and (v) the price paid is fair and reasonable. While the price paid is based on a fair and reasonable price, there can be no assurance that any Investment sold in a Related Entity Transaction will be valued or allocated a sale price that is the similar to the price if such Investment was sold to a third party and we are not required to solicit third-party bids prior to entering into a Related Entity Transaction.

With respect to Seed Portfolio Investments, a fair and reasonable price is often determined to be a price equal to cost, plus a "cost of carry." We manage potential conflicts in determining the price of a Seed Portfolio by ensuring that there is appropriate disclosure to affected Clients and Investors.

Transactions with Affiliates and Related Entities

The Firm and/or Clients from time to time engage in transactions with Affiliates and Related Entities by performing services to or receiving services from such Affiliates or Related Entities or by investing in entities in which such Affiliates or Related Entities hold interests. Such services or investment transactions will generally be made on terms (including the consideration to be paid) that are determined by the Firm to be fair and reasonable.

Participation or Interest in Client Transactions

Certain Related Entities have business, personal, financial and other relationships with individuals or entities in real estate related industries and sectors, which provide services to the Firm, Clients, Investments or Investors, and give rise to potential or actual conflicts of interest. For example, certain officers, directors or employees of a Related Entity or Related Party are also direct or indirect owners; or an officer, director, or employee of a company that is a direct or indirect owner; of an actual or potential Client Investment. Moreover, from time to time, a Client will purchase or sell assets from or to, or otherwise transact with Related Entities. To the extent the Firm determines appropriate for the particular transaction, conflict mitigation strategies are put in place, including internal information barriers or recusal, disclosure or other appropriate steps.

Investor Transfer of Interest

In certain cases, we will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of an Investor's interest in a Client. In the case of ordinary transfers, we will not receive compensation for identifying such transferees and will use our discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in our sole discretion whether the opportunity to receive a transfer of an Investor's interest in a Client should be offered to one or more existing Client Investors. The Firm or a Related Party could purchase a portion of a Client Investor's interest.

Conflicts Related to Investing Alongside Affiliates and Related Entities

A Client can make an Investment in a joint venture arrangement alongside an Affiliate, Related Party or Related Entity. Differences between the Client's Investment in such joint venture arrangement, including, but not limited to, the Investments' terms and right to performance-based fees and/or allocations, could result in the Affiliate Entities interests diverging from the Client's interest. For example, some Clients enter into joint venture arrangements with a vehicle that pays a management fee and/or performance-based fee to the Firm, or the joint venture arrangement itself can pay a performance-based fee to the Firm. In either case, the payment of any such fees will not offset the Client's management fee to the Firm. Our entitlement to such performance-based allocations and fees from the joint venture arrangement has the potential to influence us to make more speculative investments on behalf of the joint venture arrangement and/or use more leverage than we would otherwise make in the absence of such performance-based compensation. This results in potential conflicts of interest for us and our investment professionals.

Co-Investment

From time to time, the Firm seeks co-investment partners for Clients, including co-investments with Investors, other Clients and other parties the Firm has a material or strategic relationship with, including Related Entities. The allocation of co-investment opportunities is entirely and solely in the discretion of the Firm, and an Investor who has expressed an interest in co-investment opportunities will not necessarily be allocated any co-investment opportunities or could, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. Co-investments offered by the Firm will be on such terms and conditions (including management fees, performance-

based compensation and related arrangements and/or other fees applicable to Co-Investors) as the Firm determines to be appropriate in its sole discretion on a case- by-case basis, which can differ amongst Co-Investors with respect to the same co-investment. In addition, the investment performance of Co-Investors investing with a Client is not considered for purposes of calculating the performance-based compensation payable by a Client to the Firm.

A Client and Co-Investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold periods. As a result, the Firm will have conflicting incentives in making decisions with respect to such opportunities. Even if a Client and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the Investors, among other items.

The Firm considers various facts and circumstances deemed relevant in allocating co- investment opportunities, including, among others:

- Whether a potential Co-Investor has expressed an interest in evaluating co-investment opportunities;
- Whether a Client's investment objectives would be well-served by allocating less of an Investment to that Client by bringing in a Co-Investor to participate in the Investment;
- The Firm's assessment of a potential Co-Investor's ability to invest an amount of capital that fits the needs of the Investment (taking into account the amount of capital needed as well as the maximum number of Investors that can realistically participate in the transaction) and the Firm's assessment of a potential Co-Investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction;
- The size of a potential Co-Investor's commitments to Clients;
- Any expertise or experience of the Co-Investor that is relevant to or otherwise of strategic value to the Firm, Clients, or the particular Investment;
- Whether a potential Co-Investor has a history of participating in co-investment opportunities with the Firm, including as an Investor in prior co-investment deals, as well as the Co-Investor's general reputation and experience as a Co-Investor;
- Whether a potential Co-Investor has committed capital to a Client and the timing of such commitment;
- Whether the potential Co-Investor has demonstrated a long-term or continuing commitment to the potential success of the Firm or its Clients, including whether a potential Co-Investor will help establish, recognize, strengthen, or cultivate relationships that may provide indirectly longer-term benefits to Clients,
- Whether the Co-Investor has significant capital under management by the Firm or intends to increase such amount;
- Whether a potential Co-Investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity;
- The extent to which a potential Co-Investor has been provided a greater amount of co-investment opportunities relative to others; and

- Such other factors that the Firm deems appropriate to consider in the circumstances.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Firm expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund’s Governing Documents. To facilitate the acquisition of an Investment, a Fund reserves the right to make (or commit to make) an investment with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio investment, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. There can be no assurance that any Fund’s return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Item 12 Brokerage Practices

Based on the nature of the investment strategies we employ for the Funds we advise; we do not make use of securities broker-dealers in the traditional sense to buy and sell portfolio investments on behalf of the Funds; rather most Fund investments are made through privately negotiated agreements. Nonetheless, in implementing transactions for a Fund, we take into account a range of relevant factors when hiring any third-party service providers or other intermediaries (e.g., placement agents) including, but not limited to, general expertise and background, stability or insolvency issues, efficiency in providing services, the type of the transaction involved and other similar factors.

We have not engaged in principal or agency cross transactions nor have we earned a broker fee or other compensation for effecting agency cross transactions. Please see Item 6 above of Side-By-Side Management discussing instances when we may engage in principal transactions and the conflicts of interest associated therewith. If WDIP arranges a sale of an investment between Clients (JCR or WDIP Funds), without compensation to WDIP, it will obtain consents for such transactions from the Client or LPAC of the Client. WDIP has joint venture agreements with Clients which include buy-sell provisions allowing WDIP or its joint-venture partner buy or sell its respective joint venture interest to the joint venture partner.

Our investment allocation policy requires that investment decisions must be made fairly, equitably and in the best interest of the Clients and no consideration shall be made regarding whether an

allocation decision favors the economic interest of WDIP or any Client's investment committee members. We maintain an updated product matrix to track investment guidelines and restrictions to determine which Client or Fund best fits a target investment opportunity. For equity investments, if a target investment opportunity is appropriate for more than one Client or Fund, WDIP allocates such investment on a rotational basis to the appropriate Client in the rotational queue. If an exception is made to the rotational allocation method, the allocation committee documents the rationale for such exception. For debt investments, WDIP's loan allocation policy is to equitably allocate loan opportunities to Clients utilizing the best judgement of WDIP with consideration given to all known facts and circumstances regarding the opportunity. However, no consideration shall be made regarding whether an allocation decision favors the economic interest of WDIP, its affiliates or any supervised person thereof.

WDIP does not receive research or have "soft-dollar" or "directed brokerage" arrangements with any broker-dealers or Clients.

Item 13 Review of Accounts

Each Client has specific investment criteria and limitations set forth in its Governing Documents. As discussed above in Item 8, before the Firm makes an Investment on behalf of a Client, members of the applicable Investment Committee evaluate whether the investment will satisfy the particular investment criteria and limitations applicable to that Client. In addition, in the case of Clients managed on a non-discretionary basis, Investor approval will typically be required before we can make or modify an Investment.

We monitor our Fund investments continuously. The deal team provides a comprehensive memo for each transaction, and all investments must be approved by each Fund's respective Investment Committee. In addition, Fund and Separate Account investments are typically asset-managed in-house by WDIP's management team with Principal oversight, although Separate Account Clients have the ability to require third-party servicing. WDIP's account review and reporting requirements are set forth in service agreements with Separate Account Clients. Our Investors also receive quarterly unaudited financial statements and copies of our annual audited financial statements. In addition to the information provided to all investors, WDIP may provide certain investors with additional information or more frequent reports that other investors will not receive.

Item 14 Client Referrals and Other Compensation

We often engage the services of one or more unaffiliated registered broker-dealers to serve as placement agent for Fund investor commitments. We typically pay the placement agent a fee based on the capital commitments to the respective Fund. WDIP pays all any placement fees. We may also engage unaffiliated finders, which may be Investors in our Funds, to refer potential investors to WDIP, any of which will execute a finder's agreement.

Item 15 Custody

WDIP uses a qualified, unaffiliated third-party custodians to hold the Funds' cash and, to the extent required pursuant to the Advisers Act and SEC guidance, any other securities. Although WDIP is deemed to have custody of the underlying assets of many of the Funds, WDIP relies on the "pooled investment vehicles" exemption from the reporting and surprise audit obligations imposed by the SEC's custody rule. Accordingly, the Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of the Funds within 120 days of the end of the fiscal year. For Separate Account Clients'

co-investment vehicles for which WDIP is deemed to have custody, we engage the same auditing firm that prepares audited financial statements for the Funds to conduct independent audits of the co-investment vehicles, or engages a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board to conduct annual surprise custody exams in accordance with Rule 206(4)-2.

WDIP or WDIP Clients have retained Walker & Dunlop, LLC as servicer or sub-servicer for Separate Account Client CRE loans owned by the Client. WDIP and Walker & Dunlop, LLC are affiliated operationally independent subsidiaries of Walker & Dunlop, Inc. Walker & Dunlop, LLC has retained an unaffiliated qualified custodian to provide custodial services for all Walker & Dunlop, LLC servicing Client accounts. The qualified custodian sends servicing account statements at least quarterly to all Clients for which Walker & Dunlop, LLC acts as servicer or sub-servicer for WDIP Separate Account Clients.

Item 16 Investment Discretion

WDIP has discretionary authority to manage investments on behalf of the Funds. We typically assume this authority through a power of attorney or contract provision granted or entered into by, or through each Fund's respective Governing Documents or our investment advisory agreement. Separate Accounts or joint venture Clients are managed on a discretionary, co-discretionary or non-discretionary basis per the Governing Documents. For Separate Accounts and the WD-JV, after the Client has approved an investment, WDIP is, in some cases, but not all, provided with discretionary authority with respect to certain asset management and/or servicing services.

For our Funds, we typically do not allow Clients to place limitations on our discretionary authority. WDIP may enter into side letters with certain Investors whereby the terms applicable to such Investors' investment in a Fund may be altered or varied pursuant to the terms of the applicable LPA and as previously described. For our Separate Account Clients, the level of discretion is typically a negotiated term set forth in the Governing Documents.

Item 17 Voting Client Securities

Although WDIP believes that its investment strategy of investing in private debt and equity investments does not give rise to any situations that would involve voting proxies, it has adopted a proxy voting policy to ensure WDIP votes proxies in the best interest of the Funds including where there may be material conflicts of interest. Current and prospective Investors may request a copy of our proxy voting policy by contacting WDIP.

Item 18 Financial Information

As of the date of this Brochure, there exists no financial conditions that we are aware of that would be reasonably likely to impair our ability to meet our contractual commitments to Clients.