Company name HFMX DESIGNATED ACTIVITY COMPANY
Headline Notice to Noteholders of Series 474

28 September 2022

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE HOLDERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH HOLDERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

HFMX DESIGNATED ACTIVITY COMPANY
(the "**Issuer**")

Leste Texas SE Value-Add Multifamily Co-Investment (Series 474) Notes Due 2029 issued by HFMX Designated Activity Company
ISIN: XS2437471555 COMMON CODE: 243747155
(the "**Notes**" or the "**Series**" and the holders thereof the "**Noteholders**")

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum dated 31 January 2022 and the Conditions of the Notes as the same may be amended and / or supplemented from time to time.

BACKGROUND

In August 2022, the Private Placement Memorandum ("**PPM**") was amended. The appended Supplement to the Series Memorandum (Appended hereto as Annex I) sets out the changes to the PPM.

PROPOSED ACTION

The Issuer proposes no further course of action at this time. This notice is for informational purposes only.

Further Information

For further information please contact the Investment Manager:

Leste Real Estate US (IA), LLC
Dov Rawet
dov.rawet@leste.com

For further information with regard to the Notes, please contact:

FlexFunds LTD
noteholder.support@flexfunds.com

This notice is given by the Issuer.

_____

Director
HFMX Designated Activity Company

ANNEX I
Supplement to the Series Memorandum

HFMX DESIGNATED ACTIVITY COMPANY

SUPPLEMENT TO SERIES MEMORANDUM

LESTE TEXAS SE VALUE ADD MULTIFAMILY CO-INVESTMENT (SERIES 474) NOTES DUE 2029

ISSUED UNDER ITS €5,000,000,000 SECURED NOTE PROGRAMME

SUPPLEMENT 2 DATED 28 SEPTEMBER 2022 TO SERIES MEMORANDUM DATED 31 JANUARY 2022

1. GENERAL

This Series Memorandum supplement (as used herein, this "**Supplement**") supplements, forms part of and should be read in conjunction with, the Series Memorandum dated 31 January 2022 , the "**Series Memorandum**") prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the "**Programme**") of HFMX Designated Activity Company (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 15 August 2018 relating to the Programme (the "**Programme Memorandum**").

Terms defined in the Series Memorandum have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Series Memorandum. To the extent that there is any inconsistency between any statement in herein and any statement in or incorporated by reference into the Series Memorandum, the statement herein will prevail.

Save as disclosed in this Supplement and in the previous supplements to the Series Memorandum, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Series Memorandum since the initial publication of the Series Memorandum.

Amendment to the Confidential Private Placement Memorandum relating to the offer of limited partnership interests in Leste Multifamily Offshore Feeder, LP ("PPM")

In August 2022, the PPM was amended as shown in the attached redline document showing the changes to the PPM (appended hereto as Annex I). The relevant changes are in the "*Investment Program*" section on page 14 of the PPM and in Exhibit A (*Valuation Policy*) on page 61 of the PPM.

ANNEX 1 – Amended Private Placement Memorandum

Memorandum Number: _____

Recipient's Name: _____

Date: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

relating to the offer of limited partnership interests in

LESTE 5P MULTIFAMILY OFFSHORE FEEDER, LP

(a Cayman Islands exempted limited partnership)

LESTE 5P MULTIFAMILY GP, LLC
General Partner

LESTE REAL ESTATE US (IA), LLC
Investment Manager

~~**JANUARY**~~ **AUGUST 2022**

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY INTERESTS IN THE EXEMPTED LIMITED PARTNERSHIP IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE. AN INVESTMENT IN THE EXEMPTED LIMITED PARTNERSHIP IS SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM.

DIRECTORY

Leste 5P Multifamily Offshore Feeder, LP

General Partner:

Leste 5P Multifamily GP, LLC
1450 Brickell Avenue, Suite 2600
Miami, FL 33131

Investment Manager:

Leste Real Estate US (IA), LLC
1450 Brickell Avenue, Suite 2600
Miami, FL 33131

Cayman Islands Legal Counsel:

Conyers Dill & Pearman LLP
SIX Cricket Square
2nd Floor
71 Elgin Ave
George Town, Grand Cayman
Cayman Islands

Registered Office:

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681 George Town
Grand Cayman KY1-1111
Cayman Islands

Auditors:

KPMG
Century Yard
Cricket Square
P.O. Box 493
Grand Cayman KY1-1106
Cayman Islands

Administrator:

Atlas Fund Services (USA) LLC
8720 Red Oak Boulevard,
Charlotte, NC 28217

U.S. Legal Counsel:

DLA Piper LLP (US)
444 West Lake Street
Suite 900
Chicago, IL 60606

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IMPORTANT NOTICE TO POTENTIAL INVESTORS

This Confidential Private Placement Memorandum (this "**Memorandum**") has been prepared solely for the information of the person to whom it has been delivered on behalf of Leste 5P Multifamily Offshore Feeder, LP (the "**Partnership**") and may not be reproduced or used for any other purpose. Each person accepting this Memorandum agrees to return it to Leste 5P Multifamily GP, LLC (the "**General Partner**") promptly upon request. This Memorandum does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorized or permitted.

The Partnership will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. Leste Real Estate US (IA), LLC is a registered investment adviser with the U.S. Securities and Exchange Commission (the "**SEC**"), under the Advisers Act, as a relying adviser under the registration umbrella of Leste Capital Partners (Florida), LLC.

The Interests offered pursuant to this Memorandum have not been registered with or approved by any regulatory authority, with the exception of filing this Memorandum with the Cayman Islands Monetary Authority (the "**Authority**").

All investors in the Partnership must qualify as "accredited investors" (within the meaning of Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended) and "qualified clients" (as defined in Rule 205-3 under the Advisers Act).

Interests in the Partnership will be offered generally to persons that are either non-U.S. persons (generally, a non-resident alien individual, foreign corporation, foreign partnership, foreign estate or foreign trust) ("**Non-U.S. Persons**") or are U.S. persons that are tax-exempt or would not be subject to U.S. federal income tax on an investment in the Partnership. In making an investment decision, investors must rely upon their own examination of the Partnership and the terms of this offering, including the merits and risks involved. Neither the SEC nor any other state or federal governmental agency or governmental agency in any jurisdiction in which the offering is made or any securities exchange has passed upon the accuracy or adequacy of this Memorandum or the merits of an investment in the limited partnership interests offered hereby. Any representation to the contrary is a criminal offense.

The General Partner will make available to any prospective limited partner the opportunity to ask questions of and to receive answers from the General Partner and/or its agents concerning the Partnership and the terms and conditions of this offering and to obtain any additional relevant information to the extent the Partnership possesses such information or can obtain it without unreasonable effort or expense.

The contents of this Memorandum should not be considered to be legal or tax advice and each prospective limited partner should consult with its own counsel and advisors as to all matters concerning an investment in the Partnership. Prospective limited partners are urged to consult with their legal and tax advisors before investing in limited partnership interests.

The Partnership is required to register with the Authority pursuant to the Private Funds Act (2021 Revision) of the Cayman Islands. The Partnership will be required to pay an annual fee to the Authority, file copies of the audited financial statements and comply with any other obligations imposed by the law.

Such registration does not imply that the Authority or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Interests.

The Authority has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a regulated private fund (i) is or is likely to become unable to meet its obligations as they fall due, or (ii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors.

The powers of the Authority include (i) the power to require a general partner to be replaced, (ii) the power to appoint a person, at the expense of the Partnership to advise the Partnership on the proper conduct of its affairs, and (iii) the power to appoint a person, at the expense of the Partnership to assume

control of the affairs of the Partnership, as applicable, including for the purpose of terminating the business of the Partnership. The Authority also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Partnership, as applicable to reorganize its affairs in a manner specified by the Authority.

THE REGISTRATION OF A FUND BY THE AUTHORITY DOES NOT CONSTITUTE ANY GUARANTEE OR ASSURANCE BY THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY MATERIAL USED TO SOLICIT THE PURCHASE OF INVESTMENT INTERESTS IN A FUND.

THERE IS NO INVESTMENT COMPENSATION SCHEME AVAILABLE TO INVESTORS IN THE CAYMAN ISLANDS.

NOTICES

TO ALL INVESTORS:

THE SECURITIES OFFERED HEREBY ("**INTERESTS**") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATES OR ANY NON-U.S. JURISDICTION, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THE OFFERING IS MADE. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, IN ANY NON-U.S. JURISDICTION, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE INTERESTS WILL BE OFFERED AND SOLD UNDER THE EXEMPTION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT AND/OR REGULATION D OR REGULATION S PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR EFFECT UNDER U.S. STATE LAWS AND THE LAWS OF OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE. THE INTERESTS MAY BE OFFERED OUTSIDE THE UNITED STATES TO NON- U.S. PERSONS PURSUANT TO THE PROVISIONS OF REGULATION S OF THE SECURITIES ACT. SUCH INTERESTS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS.

INTERESTS IN THE PARTNERSHIP WILL BE OFFERED ONLY TO INVESTORS WHO QUALIFY AS "ACCREDITED INVESTORS" (WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) AND AS "QUALIFIED CLIENTS" AS DEFINED IN RULE 205-3 UNDER THE ADVISERS ACT.

THE PARTNERSHIP IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). CONSEQUENTLY, THE PARTNERSHIP WILL NOT BE REQUIRED TO ADHERE TO CERTAIN RESTRICTIONS AND REQUIREMENTS UNDER THE INVESTMENT COMPANY ACT, AND INVESTORS WILL NOT BE AFFORDED THE PROTECTIONS OF THE INVESTMENT COMPANY ACT.

THIS MEMORANDUM CONSTITUTES AN OFFERING OF INTERESTS ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND ONLY BY PERSONS PERMITTED TO SELL THE INTERESTS. THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PROSPECTUS OR ADVERTISEMENT, AND THE OFFERING CONTEMPLATED IN THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE INTERESTS.

THIS MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS TO WHOM IT IS TRANSMITTED IN CONNECTION WITH THIS OFFERING. BY THEIR ACCEPTANCE HEREOF, RECIPIENTS AGREE NOT TO TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE (OTHER THAN THEIR PROFESSIONAL ADVISORS) THIS MEMORANDUM, INCLUDING ANY INFORMATION CONTAINED HEREIN, OR TO USE IT FOR ANY PURPOSE OTHER THAN EVALUATING THIS OFFERING. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFERING OF THE INTERESTS AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON.

PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE FOR THE ACQUISITION, HOLDING OR DISPOSAL OF THE

INTERESTS AND ANY FOREIGN EXCHANGE OR OTHER RESTRICTIONS THAT MAY BE RELEVANT TO THEM.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS OR IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THE OFFERING IS MADE, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND THE EXEMPTED LIMITED PARTNERSHIP AGREEMENT OF THE PARTNERSHIP. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR A SUBSTANTIAL PERIOD OF TIME.

THE INTERESTS ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS (I) THAT DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, (II) FOR WHICH AN INVESTMENT IN THE PARTNERSHIP DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND (III) THAT FULLY UNDERSTAND AND ARE WILLING AND ABLE TO ASSUME THE RISKS OF AN INVESTMENT IN THE PARTNERSHIP. EACH SUBSCRIBER FOR INTERESTS WILL BE REQUIRED TO REPRESENT THAT IT IS ACQUIRING THE INTERESTS FOR ITS OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TOWARD DISTRIBUTING OR RESELLING THE INTERESTS IN WHOLE OR IN PART. THERE IS NO ESTABLISHED SECONDARY MARKET FOR THE INTERESTS, AND NONE IS EXPECTED TO DEVELOP.

INVESTMENT IN THE INTERESTS ENTAILS SIGNIFICANT INVESTMENT AND OTHER RISKS, INCLUDING POSSIBLE ADVERSE TAX EFFECTS. PLEASE REFER TO THE SECTIONS IN THIS MEMORANDUM TITLED “CERTAIN RISK FACTORS,” “POTENTIAL CONFLICTS OF INTEREST” AND “TAXATION AND REGULATORY MATTERS.” INVESTORS SHOULD PURCHASE INTERESTS ONLY IF THEY HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY THAT ARE CHARACTERISTIC OF INVESTMENTS IN SECURITIES SUCH AS THE INTERESTS.

INVESTORS ARE CAUTIONED TO CONSULT THEIR LEGAL, FINANCIAL, TAX AND OTHER ADVISORS PRIOR TO MAKING ANY INVESTMENT IN THE INTERESTS. NEITHER THE PARTNERSHIP NOR THE INVESTMENT MANAGER (AS DEFINED BELOW) MAKES ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE SUITABILITY FOR ANY INVESTOR OF AN INVESTMENT IN THE INTERESTS. INVESTORS MUST RELY UPON THEIR OWN REPRESENTATIVES, INCLUDING THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISORS, AS TO ALL LEGAL AND OTHER MATTERS CONCERNING THE INTERESTS AND AN INVESTMENT THEREIN.

NOTICE TO RESIDENTS OF FLORIDA:

PURSUANT TO THE LAWS OF THE STATE OF FLORIDA, IF SALES ARE MADE TO FIVE (5) OR MORE INVESTORS IN FLORIDA, ANY FLORIDA INVESTOR MAY, AT ITS OPTION, WITHDRAW, UPON WRITTEN (OR TELEGRAPHIC) NOTICE, ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE (3) DAYS AFTER (A) THE INVESTOR FIRST TENDERS OR PAYS TO THE PARTNERSHIP, AN AGENT OF THE PARTNERSHIP OR AN ESCROW AGENT THE CONSIDERATION REQUIRED HEREUNDER, (B) THE INVESTOR DELIVERS ITS EXECUTED SUBSCRIPTION AGREEMENT, OR (C) THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH INVESTOR, WHICHEVER OCCURS LATER.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS:

NO INVITATION TO SUBSCRIBE FOR ANY INTERESTS SHALL BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS. NON-RESIDENT COMPANIES OR EXEMPTED COMPANIES AND CERTAIN OTHER NON-RESIDENT OR EXEMPTED COMPANIES ESTABLISHED IN THE CAYMAN ISLANDS AND ENGAGED IN BUSINESS OUTSIDE THE CAYMAN ISLANDS MAY HOWEVER BE PERMITTED TO SUBSCRIBE.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA:

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OF THE INTERESTS TO INVESTORS DOMICILED OR WITH A REGISTERED OFFICE IN THE EUROPEAN ECONOMIC AREA ("EEA"). NONE OF THE PARTNERSHIP, THE GENERAL PARTNER, THE INVESTMENT MANAGER OR ANY OF THEIR RESPECTIVE AFFILIATES CURRENTLY INTENDS TO ENGAGE IN ANY MARKETING (AS DEFINED IN THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")) IN THE EEA WITH RESPECT TO THE INTERESTS. RECEIPT OF THIS MEMORANDUM BY AN EEA INVESTOR IS SOLELY IN RESPONSE TO A REQUEST FOR INFORMATION ABOUT THE PARTNERSHIP WHICH WAS INITIATED BY SUCH INVESTOR. ANY OTHER RECEIPT OF THIS MEMORANDUM IS IN ERROR AND THE RECIPIENT THEREOF SHALL IMMEDIATELY RETURN TO THE PARTNERSHIP, OR DESTROY, THIS MEMORANDUM WITHOUT ANY USE, DISSEMINATION, DISTRIBUTION OR COPYING OF THE INFORMATION SET FORTH IN THIS MEMORANDUM. NOTWITHSTANDING THE FOREGOING, THE PARTNERSHIP AND THE INVESTMENT MANAGER MAY ELECT TO ENGAGE IN MARKETING IN THE EEA AT ANY TIME IN THE FUTURE IN THEIR DISCRETION, IN WHICH CASE THEY WILL COMPLY WITH THE APPLICABLE REQUIREMENTS OF AIFMD.

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by other information contained elsewhere in this Memorandum and by the amended and restated exempted limited partnership agreement of the Partnership (the "**Limited Partnership Agreement**"), which should be read carefully by each prospective investor prior to investing. A copy of the Limited Partnership Agreement has been given to all prospective investors. Each prospective investor should pay particular attention to the information under the headings "CERTAIN RISK FACTORS," "CONFLICTS OF INTEREST" and "FEES AND EXPENSES" and should consult its own advisors in order to fully understand the consequences of an investment in the Partnership. All references to the Partnership used herein mean the Partnership acting through the General Partner (as defined below). All capitalized terms used herein and not otherwise defined herein will have the meanings ascribed in the Definitions section of this "SUMMARY OF THE OFFERING." **Capitalized terms used but not defined in this Memorandum have the meanings set forth in the Limited Partnership Agreement**.

The Partnership	Leste 5P Multifamily Offshore Feeder, LP, a Cayman Islands exempted limited partnership formed and registered on December 14, 2021.
General Partner	Leste 5P Multifamily GP, LLC, a Delaware limited liability company and registered in the Cayman Islands as a foreign company, is the general partner of the Partnership (in such capacity, the "**General Partner**") and the Onshore Partnership (as defined below). The General Partner is wholly owned by an affiliate of Leste (as defined below).
Investment Manager	Leste Real Estate US (IA), LLC, a Delaware limited liability company ("**Leste**" or the "**Investment Manager**"), serves as the investment manager of the Partnership. Leste is registered with the SEC as an investment adviser under the Advisers Act under the umbrella registration of Leste Capital Partners (Florida), LLC, under which Leste is a relying adviser.
Investment Objective and Strategy	The Partnership has been formed for the purpose of directly or indirectly acquiring, developing, managing and holding real property and real property related investments (the "**Portfolio**" or "**Investments**" and each such real property, an "**Asset**"). See "*Investment Objective and Program – Investment Program*" below for a description of the Assets.
The Holdco, the JV, the Onshore Partnership and the Opportunity Fund Co-Invest	The Partnership expects to invest substantially all of its assets indirectly in the Assets. The Partnership expects to invest in the Assets through a blocker corporation (the "**Blocker**"), which, in turn, will invest substantially all of its assets in a holding company (the "**Holdco**"), formed for the purpose of investing all of its investible assets in and making an Investment through a joint venture (the "**JV**") formed between such Holdco and GVA PRO LLC or one of its affiliates ("**GVA**"). The Holdco is expected to invest in its portfolio investment directly or indirectly through the respective Propco (as defined below). As the context requires, references herein to the Holdco, or to investments in or by the Holdco, should be read to include reference to the JV and Propcos through which the Holdco indirectly will invest in the respective Asset. The Blocker is managed by Leste 5P Multifamily GP, LLC (i.e., the General Partner). The Blocker will be classified as a corporation for U.S. federal income tax purposes and will be capitalized by the Partnership with equity and with debt. Accordingly, the Blocker will

	issue one or more promissory notes (each, a "**Note**" and collectively, the "**Notes**") to the Partnership and equity interests to the Partnership. The ratio of the debt-to-equity capitalization of the Blocker will be determined by the General Partner in its sole discretion, depending on prevailing market conditions and certain other economic factors deemed to be relevant. The General Partner (or an affiliate thereof) will effect the issuance and redemption of the Notes for the benefit of the Partnership. The Holdco is managed by Leste 5P Multifamily GP, LLC (i.e., the General Partner) (in such capacity, the "**Leste Holdco Manager**"). The JV is managed by GVA, in its capacity as the managing member of the JV (in such capacity, the "**GVA Portfolio Manager**"). Leste 5P Multifamily US Feeder, LP, a Delaware limited partnership (the "**Onshore Partnership**"), was formed for the benefit of U.S. investors. The Onshore Partnership will also invest substantially all of its assets in the Holdco. Further, Leste US Properties Limited, a Bermuda limited company whose investment manager is Leste or one of its affiliates, is expected to co-invest approximately $250,000 in the aggregate alongside the Partnership in the Portfolio through investments in the Blocker. Leste US RE Opportunity Holdco, LLC ("**Leste Opportunity Holdco**"), an investment vehicle managed and advised by Leste, is also expected to co-invest approximately $10 million in the aggregate alongside the Partnership in the Portfolio through investments in the Holdco. Such co-investments are described in "*Co-Investments by Leste US Properties Limited and Leste Opportunity Holdco*" below.
Target Capital Raise	The Partnership and the Onshore Partnership are collectively targeting an aggregate capital raise of up to $80 million.
Minimum Capital Commitment	The minimum initial capital commitment (a "**Capital Commitment**") of a Limited Partner is US$250,000, subject to the sole discretion of the General Partner to accept a lower amount.
Initial Closing Date	The initial closing of the Partnership is expected to take place on or around January 31, 2022 (the "**Initial Closing Date**").
Duration of the Offering; Final Closing Date	Although it is anticipated that the Partnership will only conduct one closing, the Partnership's offering period may continue at the sole discretion of the General Partner until the expiration of the six-month anniversary of the Initial Closing Date (the "**Final Closing Date**") or as otherwise determined by the General Partner. In addition, the General Partner may terminate the offering at any time.
Subsequent Closings	The General Partner may, in its sole discretion, hold additional closings after the Initial Closing (each, a "**Subsequent Closing**") until the Final Closing Date. Each Limited Partner admitted at a Subsequent Closing and each Limited Partner increasing its Capital Commitment to the Partnership will be required to contribute capital (but in the case of a Limited Partner increasing its Capital Commitment, only the extent of such increase) to the Partnership ("**Capital Contribution**") in an amount which represents such Partner's (i) pro rata share (based on the respective Capital Commitments of the Partners at such time) of all capital contributed to the Partnership, when taken together with all Capital Contributions previously made by other Partners and (ii) allocable share of Management Fees (as defined below) as if such Limited Partner had been admitted to the Partnership (or had such increased Capital Commitment) on the Initial Closing Date.

	The portion of the Capital Contribution described under clause (i) above with respect to each Subsequent Closing will be (a) distributed on a pro rata basis to those Limited Partners that were admitted on the Initial Closing Date or at a prior Subsequent Closing based upon their respective funded Capital Commitments and added back to the unfunded Capital Commitments of such Limited Partners, which may be redrawn by the Partnership or (b) retained for purposes of the Partnership in the sole discretion of the General Partner; and the portion described under clause (ii) will be paid to the Investment Manager in accordance with the terms set forth below with respect to the payment of Management Fees.
Capital Commitments:	Each Limited Partner's Capital Commitment will be drawn down and payable within four (4) business days of a capital call notice from the General Partner (the "**Capital Call Notice**"). **It is anticipated that 100% of each Limited Partner's Capital Commitment will be drawn down at the closing at which such Limited Partner is admitted to the Partnership; provided that the General Partner may call capital at other times as permitted under the Limited Partnership Agreement.** Each Capital Contribution made by a Limited Partner will be deemed to have made on the date provided in the Capital Call Notice, except as otherwise determined by the General Partner in its sole discretion. **Failure to meet a capital call when due may result in the General Partner being entitled to exercise various significant default remedies.** *See "Defaulting Partners" below*.
No Contributions in Excess of Capital Commitment	Except as required by applicable law, in no event will any Partner be required to fund Capital Contributions in the aggregate in excess of its unfunded Capital Commitment.
Investment Period	The investment period of the Partnership will commence on the Initial Closing Date and end on the three-month anniversary of the Final Closing Date (the "**Investment Period**"); provided that the Investment Period may be suspended or terminated at any time in the General Partner's discretion.
Additional capital calls	Following the expiration of the Investment Period, the General Partner will no longer draw down capital from the Partners' Capital Commitments, except (to the extent of any undrawn Capital Commitments) to the extent required by the Partnership to (i) pay amounts owing or that come due under any credit facility or other borrowing arrangement obtained by the JV or the Propcos, (ii) satisfy obligations under guarantees, indemnities, covenants or other undertakings, (iii) fund investments in the Portfolio with respect to which a JV and/or a Propco has entered into a written letter of intent, option, agreement in principal, definitive agreement or other written commitment prior to termination of the Investment Period, (iv) fund additional investments in assets already acquired by a Holdco or its subsidiaries, (v) enable the Partnership to acquire a Defaulting Partner's interest (each defined below), (vi) pay Operating Expenses (as defined below), the Management Fee, Organizational Expenses (as defined below) and all other costs and expenses of the Partnership, the Blocker, the Holdco or the JV, including, indemnification costs and/or (vii) establish reserves for the payment of any costs or expenses described in in clause (vi) above.
Return of Unused or Distributed Capital	Capital Contributions which remain unused for at least 180 days will be promptly returned to the Limited Partners and subject to recall. Capital calls also may be made to the extent of any unpaid Capital Commitments plus any distributions previously made to the Partners and their affiliates at any time (including after termination of the

	Investment Period) for the purpose of paying operating costs and other expenses of the Partnership, the Blocker, the Holdco or the JV, including, indemnification costs and Management Fees, or establishing reserves for the payment of such expenses at any time prior to the final termination and liquidation of the Partnership and for a period of two years thereafter.
Term	The term of the Partnership will continue, unless sooner wound up and dissolved, until the fifth anniversary of the Final Closing Date, subject to two consecutive one-year extensions in the General Partner's discretion. The affairs of the Partnership will be terminated and the Partnership will commence to be wound up upon the first to occur of any of the following events: (a) expiration of the term, as provided in the preceding sentence, (b) a determination by the General Partner that the continuation of the Partnership is unlawful, impracticable or inadvisable due to a change of law and should be dissolved; (c) upon the agreement of at least 75% in interest of the Limited Partners and the General Partner, (d) within one hundred and eighty (180) days of the disposition by the JV of all of the Investments and the distribution of all of the proceeds therefrom in accordance with the governing documents of the JV (if this occurs after the end of the Investment Period); or (e) the insolvency, bankruptcy, dissolution or termination of the General Partner (unless a replacement General Partner is appointed and the Partnership is continued in accordance with applicable law).
The Offering – Eligible Investors and Suitability	Admission as a Limited Partner in the Partnership is not open to the general public. Interests in the Partnership will be offered to persons who qualify as "accredited investors" (within the meaning of Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended) and "qualified clients" (as defined in Rule 205-3 under the Advisers Act). The General Partner may, in its sole discretion, decline to admit any prospective investor for any reason or for no reason. An investor admitted to the Partnership will become a "**Limited Partner**" (together with the General Partner, the "**Partners**"). The General Partner is authorized, in its sole discretion, to accept or reject subscriptions from investors either in whole or in part.
Defaulting Partners	If a Partner defaults (a "**Defaulting Partner**") on the first capital call, the Defaulting Partner may, at the discretion of the General Partner, lose the opportunity to participate in the Partnership and forfeit up to 100% of the Defaulting Partner's interest in the Partnership. Upon any other capital default (a "**Capital Default**") by any Partner, the Partnership may, in the discretion of the General Partner, cause the Defaulting Partner to forfeit up to 100% of its interest in the Partnership or have the Defaulting Partner pay interest at a rate equal to the lesser of the rate of twenty percent (20%) per annum, compounded monthly, and the maximum rate permitted by applicable law (the "**Default Rate**") until the default is cured. If the General Partner permits a Defaulting Partner a cure period, the extent of which will be determined by the General Partner in its sole discretion, and the Defaulting Partner fails to cure a Capital Default prior to the expiration thereof, the General Partner will be entitled to exercise significant additional default remedies in respect of the Defaulting Partner, including (i) continuing to charge interest at the Default Rate on the outstanding unpaid balance until the date of payment to the Partnership, (ii) causing any distributions otherwise payable to the Defaulting Partner to be set off or withheld from such

	Defaulting Partner, (iii) suspending all voting rights and rights to distributions, (iv) diluting the Defaulting Partner's Interest from two to one and the additional capital required will be offered to the non-Defaulting Partners at a favorable pro rata interest, (v) offering the Defaulting Partner's Interest for sale to the other Partners at a price and on such terms as determined by the General Partner, (vi) causing the Defaulting Partner's Interest to be sold to a third party at such price and on such terms as determined by the General Partner, and/or (vii) causing the Defaulting Partner to forfeit up to 100% of its interest in the Partnership.
Distributions	As provided in the Limited Partnership Agreement, net cash available for distribution (i.e., proceeds derived from the disposition of Investments after satisfaction of all expenses, liabilities and establishment of reserves), will be distributed quarterly or, in the discretion of the General Partner, more frequently, to the extent available. Net cash flow will be allocated among the Partners (including the General Partner in its capacity as a Partner) based on their respective aggregate Partnership Percentages, taking into account the Partners' participation in the Investments. The "**Partnership Percentage**" of each Partner is arrived at by dividing such Partner's Capital Contributions by the Capital Contributions of all Partners in the aggregate, as set for the in the Limited Partnership Agreement.
Transfers and Withdrawals	Without the prior written consent of the General Partner (such consent not to be unreasonably withheld), any sale, assignment, transfer, conveyance, pledge, charge, hypothecation or other disposition or encumbrance of Interests will not be valid. Further, a Limited Partner generally may not withdraw any amount from the Partnership. Without the prior consent of a majority-in-interest of the Limited Partners, the General Partner may only transfer its general partnership interest in the Partnership to an affiliate.
Compulsory Withdrawal	The General Partner may, at any time, in its sole and absolute discretion, cause the Partnership to distribute to a Limited Partner all or any portion of its capital, thereby withdrawing all or any portion of a Limited Partner's Interest, upon not less than two (2) calendar days' notice in writing to the Limited Partner. The General Partner may do so in its sole and absolute discretion including, without limitation, where the General Partner has reason to believe that (i) the Limited Partner made a misrepresentation to the General Partner in connection with its purchase of the Interest, (ii) the Limited Partner is not or ceases to be an eligible investor or (iii) such Limited Partner's ownership of an Interest would result in the violation of applicable laws or regulations by the Partnership, the General Partner, the Investment Manager or a Limited Partner. In addition, if making a cash payment to a withdrawing Limited Partner would be materially adverse to the Partnership, as determined by the General Partner in its sole discretion or as otherwise agreed upon between the Partnership and the withdrawing Limited Partner, the General Partner may effect the withdrawal of an Interest by the distribution of Partnership portfolio investments in kind with a value determined in accordance with the procedures set forth in this Memorandum, to be equal to the amount withdrawn.
Management Fee	The Holdco will pay the Investment Manager a quarterly management fee (the "**Management Fee**") equal to 0.~~3753~~3125% per quarter (i.e. 1.25% per annum) of the aggregate amount of capital

	contributed by the Partnership (indirectly, through the Blocker) and the Onshore Partnership to the Holdco relating to the Investment that has not been sold, otherwise disposed of, or written off for U.S. federal income tax purposes (regardless of the amount of distributions returned to a Partner relating to such Investment) and will be prorated for periods of less than a quarter. The Management Fee paid at the level of the Holdco will be appropriately allocated (indirectly) between the Partnership and the Onshore Partnership, and a proportionate share thereof will thus become an Operating Expense borne by the Partnership and, ultimately, the Partners. For purposes of clarity, any reference in this Memorandum to the Management Fee payable by the Partnership or the Partners shall be understood to be a reference only to that portion of the Management Fee that is allocated to the Partnership. The Investment Manager, in its sole discretion, may waive or reduce the Management Fee with respect to certain Partners, including, but not limited to, principals, partners, directors, officers and employees of the General Partner, the Investment Manager (and their family members) or their affiliates, without entitling any other investor to such waiver or reduction and without notice to, or the consent of, the other Limited Partners. In the discretion of the General Partner, the Management Fee may be structured as a priority profit share to the Investment Manager, which will be entitled, to the extent permitted by applicable law, to elect to receive profit eligible for capital gains or ordinary income treatment or to receive a loan on account of future profits, and the Partners' distribution rights will be adjusted accordingly.
Promote at the Holdco Level	There is no promote distribution to the General Partner at the Partnership level. However, the Holdco will be subject to a promote distribution (the "**Leste Promote**") to its manager, Leste 5P Multifamily GP, LLC (i.e., the General Partner) (or any Affiliates), which will be 20% of any distributable cash of the Holdco after satisfaction of a cumulative, annually compounded preferred return of 8% on the unreturned capital contributions by its members (i.e., the Partnership (indirectly, through the Blocker), the Onshore Partnership and Leste Opportunity Holdco). The application of the waterfalls in the Holdco agreement with respect to each Investment will be crossed such that the economic performance of the Investments taken together, and each of the respective capital contributions and distributions in respect thereof, are taken into account in determining the aggregate Leste Promote to the Leste Holdco Manager.
Promote at the JV Level	In addition to the Leste Promote, the JV will be subject to a promote distribution to its manager, the GVA Portfolio Manager (the "**GVA Promote**"), which is expected to be: (i) 20 % of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 10% on the unreturned capital contributions by its members; (ii) 40% of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 14% on the unreturned capital contributions by its members; and (iii) 50% of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 18% on the unreturned capital contributions by its members. The GVA Promote may be changed by unanimous consent of the members of the JV.

	The GVA Promote will be determined separately with respect to the JV and will not be netted.
Property Diligence Fee	The Holdco will pay to Leste (or its affiliates) a one-time Property Diligence Fee in an amount equal to 0.50% of the total capitalizations of the Investments (the "**Property Diligence Fee**").
Propcos – Fees, Expenses and Promote at Property Level	It is anticipated that the JV will each invest in the Assets directly or indirectly as a limited partner or member in one or more special purpose vehicles (the "**Propcos**") that have been established for the purpose of making the Investments. As the context requires, references herein to the Holdco, or to investments in or by the Holdco, should be read to include reference to the respective JV and Propcos through which the Holdco indirectly will invest in the respective Asset. The JV will bear such Asset's fees and expenses related to the acquisition, development, operation, ownership and disposition of such Asset. The foregoing fees and expenses relating to the Assets, together with the promote to be borne by the JV, are in addition to, and will in no way offset, minimize or reduce the Management Fees and/or the offering, organizational and other expenses of the Blocker, the Holdco and the JV. The Partnership shall bear a pro rata share of such expenses. Consequently, the fees and expenses described above will reduce the amount of net assets allocable to the Partnership, and, therefore, to the Limited Partners.
Operating Expenses	The Partnership will pay, or reimburse the Investment Manager and/or the General Partner for advancing, the Partnership's operating expenses, including, without limitation, the following: (i) external (i.e., third party) custodial, administrative, legal, accounting, auditing, record-keeping, appraisal, tax form preparation, compliance and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Partnership accounting or record-keeping, including related hardware and software); (ii) fees and expenses of Atlas Fund Services (USA) LLC (the "**Administrator**"); (iii) an allocable portion of Leste's and/or the General Partner's, as applicable, costs relating to providing bookkeeping, fund accounting, legal and other services for the benefit of the Partnership in addition to those provided to the Partnership by the Administrator; (iv) costs associated with regulatory filings on behalf of, or arising as a result of the management of the Partnership; (v) a pro rata share of all costs and expenses of the Blocker, the Holdco, the JV and the Propcos, including but not limited to their and the Partnership's activities with respect to directly or indirectly (including, without limitation, making capital contributions to any entity that directly or indirectly owns an Investment) developing, negotiating, structuring, organizing, acquiring, financing, refinancing, bidding on, owning, holding, managing, operating, renovating, servicing, monitoring, leasing, valuing, hedging, dissolving, winding up, liquidating, restructuring, taking public or private, selling or otherwise disposing of, as applicable, any actual or potential Investment, including any follow-on investments, or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction, real estate brokerage expenses, or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses

	related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated (i.e. excluding any "broken deal" costs and expenses relating to potential Investments, which will be borne by the General Partner or its affiliates) and whether or not such activities are successful; (vi) travel and administrative costs associated with the research activities of the Investment Manager and its employees to the extent dedicated to the Partnership; (vii) all fees, costs, expenses and obligations related to indebtedness of, or guarantees made by, the JV or the Propcos, including interest with respect thereto and the cost of seeking to put in place any such indebtedness or guarantee; (viii) custodial fees and bank service fees; (ix) withholding and transfer fees; (x) taxes and other governmental charges; (xi) clearing and settlement charges; (xii) fees for data and software providers; (xiii) other expenses related to the purchase, sale or transmittal of Partnership assets; (xiv) insurance premiums (including but not limited to directors and officers (D&O) insurance for the General Partner, the Investment Manager, and/or their respective affiliates); (xv) all expenses incurred in connection with any threatened, pending or anticipated litigation, examination or proceeding; (xvi) costs and expenses associated with preparing investor communications and printing and mailing costs and expenses; (xvii) fees and taxes imposed by any governmental entity or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; (xviii) the Partnership's indemnification obligations under the Limited Partnership Agreement and other agreements to which the Partnership may be a party; (xix) items similar to any of the foregoing related to the Partnership; (xx) any fees, costs, expenses or compensation paid or payable to third party joint venture partners, operating partners and other similar Persons, (xxi) the Management Fee, (xxii) all costs, fees and expenses associated with the Blocker, the Holdco, the JV, the Propcos and the Investments, and (xxiii) any extraordinary expenses as will be determined by the General Partner in its sole discretion (collectively, the "**Operating Expenses**"). Without limitation of the forgoing, any expenses incurred in connection with the activities, operation and administration of any Access Vehicle (as defined below) may be considered Operating Expenses of the Partnership and borne indirectly by all of the Limited Partners (including such Access Vehicle). For this purpose, "**Access Vehicles**" include one or more entities formed or engaged by the General Partner or the Partnership to facilitate investments in the Partnership by certain Non-U.S. Persons (each an "**Access Vehicle**"). Where the General Partner determines in its sole discretion that certain Operating Expenses are directly attributable to a particular Investment the Investment Manager may charge such expenses solely to the Limited Partners participating in such Investment. Each of Leste and the General Partner will be responsible for the costs incurred in otherwise managing the Partnership, including all salaries, bonuses, and employee benefit expenses of employees of Leste and the General Partner and any of their respective affiliates involved in the management and conduct of the Partnership's business and affairs and related overhead (including rent, utilities, office supplies, secretarial services and other similar items).
Organizational Expenses	The Partnership will bear all expenses incurred in connection with the offering and the formation and organization of the Partnership and the Blocker (excluding any placement fees, which will be borne

	by the General Partner or its affiliates) and a pro rata share of the formation and organization expenses relating to the Holdco, the JV and the Propcos, including all legal, accounting, regulatory compliance and other expenses ("**Organizational Expenses**") up to a maximum of US$500,000. Organizational Expenses in excess of this amount will be paid by the Partnership but borne by the Investment Manager or its affiliates (i.e. not by the Limited Partners) through a 100% offset against the Management Fee otherwise ultimately payable by the Limited Partners. Without limitation of the forgoing, any of the costs and expenses incurred in connection with the formation and organization of any Access Vehicle or the offering of securities by any Access Vehicle under the relevant private placement or marketing regimes to investors outside the Unites States as required by applicable local law and related compliance costs and expenses may be considered Organizational Expenses of the Partnership and borne indirectly by all of the Limited Partners (including such Access Vehicle).
Other Fee Income and Reimbursements	Further, the Investment Manager or GVA, directly or through affiliates, may provide services customarily provided for in property management agreements (or similar services) to some or all of the Partnership's investments and/or properties. There is no current intention for the Investment Manager or any affiliate to do so, but if the Investment Manager or affiliate does provide such services, in no event will the aggregate fees paid for such services exceed fair market rates, as determined by the General Partner in good faith. To the extent the Investment Manager or its affiliates provide other services to the Partnership, fees for any such other services, including the Property Diligence Fee (the "**Other Fee Income**"), will be charged at competitive rates not in excess of fair market rates, as determined by the General Partner in good faith. Any Other Fee Income received by the Investment Manager or its affiliates will not reduce or offset the Management Fee payable by the Holdco or any other fees payable by any Partner. The General Partner, the Investment Manager and their affiliates may also be reimbursed for the costs of services that could be performed directly for the Partnership, the Blocker, the Onshore Partnership, the Holdco, the JV, the Propcos and/or the Assets by independent parties, including legal, accounting, reporting, consulting, transfer agent and data processing services but which are in fact performed by the General Partner, the Investment Manager and their affiliates, but not in excess of the actual costs of providing such services; which in no event will exceed amounts which the Partnership would otherwise be required to pay to independent parties for comparable services.
Debt Financing	The JV or the Propcos are expected to obtain five (5) credit facilities in order to fund the acquisition of Assets in the Portfolio, representing an expected 77% loan-to-cost financing. The loans are forecasted to have a 5-year term and to carry Libor plus 3.15% interest with 60 months of interest only payments and a bullet principal payment on maturity, although the actual terms of such credit facilities may differ from the foregoing anticipated terms.
Removal of General Partner	A vote of at least 75% in interest of the Limited Partners may remove the General Partner for "Cause" under the Limited Partnership Agreement. "**Cause**" means a final, non-appealable judgment by a court of competent jurisdiction that, in connection with the performance of its

	duties under the terms of the Limited Partnership Agreement, the General Partner (i) has engaged in conduct that constitutes intentional fraud, willful misconduct, or gross negligence (as determined under the laws of the State of Delaware), or (ii) has committed any material breach of the Limited Partnership Agreement that has not been cured within forty-five (45) days of receipt of written notice of such breach.
Tax Distributions	The Partnership may in the sole discretion of the General Partner make tax distributions to the Partners, pro rata, with respect to the cumulative net tax amount owed by such Partner for federal tax purposes in connection with the activities of the Partnership.
Limited Partner Reports	The Partnership will provide Limited Partners with the following: (i) audited financial statements (prepared in accordance with U.S. Generally Accepted Accounting Principles) of the Partnership for each Fiscal Year as soon as reasonably practicable after the end of each Fiscal Year, (ii) a report containing information that will enable each Limited Partner to prepare its federal income tax return, within 90 days of the end of each tax year or as soon as reasonably practicable thereafter, (iii) a Partnership net asset value report within 45 days of the end of each quarter, or as soon thereafter as practicable, and (iv) other reports as determined by the General Partner, on the advice of the Investment Manager, in their sole discretion. Copies of all such reports may be obtained upon request to the General Partner and are otherwise available for inspection at the General Partner's registered office.
Risk Factors	An investment in the Partnership involves special risks and the purchase of the Interests should be considered only by persons who can bear the economic risk of their investment for an indefinite period and who can afford a total loss of their investment. There can be no assurance that the Partnership will achieve its investment objective. Each prospective investor should carefully review the section entitled "Risk Factors" below.
Conflicts of Interest	There are several potential and actual conflicts of interest that potential Partners in the Partnership should be aware of. *See*, "*Conflicts of Interest*," below. The General Partner, Leste, the GVA Portfolio Manager and/or their respective affiliates, principals, managers, members and employees manage and render services to other private investment entities and accounts (including, without limitation, the Onshore Partnership, the Blocker, Leste US Properties Limited, Leste Opportunity Holdco and the Propcos) (collectively, the "**Other Accounts**"), including those with investment programs that are substantially similar to the Partnership's investment program. As a result, the General Partner, Leste, the GVA Portfolio Manager and their respective affiliates, principals, managers, members and employees may need to allocate their time, as well as investment opportunities, among the Partnership and such Other Accounts. The General Partner, Leste, the GVA Portfolio Manager and their respective affiliates, principals, managers, members and employees are required to devote only such amount of their time to the Partnership as they, in their sole discretion, deem necessary in good faith, and intend to also devote a substantial portion of their time and attention to other entities, accounts, investments and activities.
Indemnification	To the fullest extent permitted by applicable law, the Partnership will indemnify and hold harmless each of the General Partner, Leste and any of their respective affiliates, members, directors, officers, employees and agents (each, an "**Indemnified Party**") from and

	against any costs, losses, claims, damages, liabilities, expenses (including reasonable legal and other professional fees and disbursements), judgments, fines or settlements ("**Indemnified Losses**") suffered or sustained by such Indemnified Party by reason of any act or omission arising out of, or related to, the Partnership except for Indemnified Losses that are judicially determined to be attributable to the bad faith, gross negligence (as determined under the laws of the State of Delaware), actual fraud or willful misconduct of such Indemnified Party.
Co-Investments by Leste US Properties Limited and Leste Opportunity Fund	Leste and its affiliates also act as investment manager and/or manager of Leste US Properties Limited, a Bermuda limited company, and Leste US RE Opportunity Holdco, LLC, a Delaware limited liability company ("**Leste Opportunity Holdco**"), through which certain other pooled investment vehicles or accounts managed and/or advised by Leste and its affiliates make investments. Leste US Properties Limited is expected to co-invest approximately $250,000 in the aggregate alongside the Partnership in the Portfolio, with such co-investment anticipated to be made indirectly through the Blocker. Leste Opportunity Holdco is also expected to co-invest approximately $10 million in the aggregate alongside the Partnership in the Portfolio, with such co-investment anticipated to be made indirectly through the Holdco. Leste and its affiliates receive compensation such as management fees and other incentive compensation in connection with their activities related to Leste US Properties Limited and Leste Opportunity Holdco. Any direct or indirect participation by a Limited Partner in Leste US Properties Limited or Leste Opportunity Holdco will not be considered a capital contribution to the Partnership and will not reduce such co-investing Limited Partner's Capital Commitment.
Option to Exchange for Leste US Properties Limited	In the future, Leste may present the Limited Partners with the opportunity to receive in exchange for their Interests an equivalent interest or similar investment in Leste US Properties Limited. If any Limited Partner elects to make such exchange or otherwise to convert its investment in the Partnership to an investment in Leste US Properties Limited, if requested by the General Partner, such Limited Partner shall execute any and all documents as the General Partner shall have reasonably requested or that are otherwise required to effectuate the transactions contemplated hereby. Each Limited Partner understands that in connection with any such exchange or conversion, (i) the General Partner, Leste and their Affiliates expect to retain the right to earn fees and/or carried interest in connection with the Partnership or the Partnership's investments post-transaction and (ii) any fees or carried interest payable to the General Partner, Leste and their Affiliates related to such Limited Partner's Interest in the Partnership pre-transaction (as accrued based on the value of the Limited Partner's Interest or proportionate share of the Partnership's assets as of such transaction) may "crystallize" and be paid at the time of the transaction to such persons in the form of cash, an equity interest in the Partnership or Leste US Properties Limited or partially in both.
Fiscal Year	The Fiscal Year of the Partnership ends on 31 December of each year.

Side Letters	The General Partner may in its sole discretion enter into one or more side letters or similar agreements with Limited Partners that may alter certain terms and conditions contemplated hereby or as may be set forth in the Limited Partnership Agreement and Subscription Agreement.
Tax	The Partnership will be treated as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes. As such, it generally will not be subject to U.S. federal income tax, and, subject to each prospective investor's particular tax treatment, each Limited Partner may be required to include in computing its U.S. federal income tax liability its allocable share of the items of income, gain, loss and deduction of the Partnership, regardless of any distributions by the Partnership to such Partner. The Blocker will be classified as a corporation for U.S. federal income tax purposes. Accordingly, the taxable income of the Blocker will be subject to U.S. federal corporate income tax, currently at a rate of 21%, plus applicable state and local taxes, which may be effectively reduced by the use of leverage (and subject to certain limitations). U.S. withholding tax at a rate of 30% on dividend distributions (distributions derived from the Blocker's earnings and profits) received by the Partnership from the Blocker will generally apply. Distributions attributable to the liquidation of a Blocker following the sale of all of such Blocker's assets would generally not be subject to U.S. federal income withholding tax. The Partnership and Blocker intend to take the position that interest payments received by the Partnership from the Blocker on the Notes qualify for the portfolio interest exemption and thus are exempt from the 30% U.S. withholding tax that would normally apply to such payments. There can be no assurance, however, that the IRS will not challenge this position or that, if challenged, the position will be sustained by the courts. The taxation of partners and partnerships is extremely complex. Each prospective investor is urged to consult its own tax advisor as to the tax consequences of an investment in the Partnership including, but not limited to, the possible application of the "FIRPTA" rules under Sections 897 and 1445 of the Internal Revenue Code.
Administrator	Atlas Fund Services (USA) LLC
U.S. Legal Counsel	DLA Piper LLP (US) ("**DLA Piper**") acts as U.S. legal counsel to the Partnership, the Investment Manager, the General Partner and their respective affiliates. DLA Piper does not represent the Limited Partners in connection with the offering of Interests in the Partnership or the preparation or negotiation of any related documents, and DLA Piper does not owe a duty to any Limited Partner in connection therewith.
Cayman Counsel	Conyers Dill & Pearman LLP ("**Conyers**") acts as Cayman Islands legal counsel to the Partnership, the Investment Manager, the General Partner and their respective affiliates. Conyers does not represent the Limited Partners in connection with the offering of Interests in the Partnership or the preparation or negotiation of any related documents, and Conyers does not owe a duty to any Limited Partner in connection therewith.
Auditor	KPMG, Cayman Islands

INVESTMENT OBJECTIVE AND PROGRAM

Summary

This Confidential Private Placement Memorandum ("**Memorandum**") is being furnished to you on a confidential basis so that you may consider an investment in the limited partnership interests ("**Interests**") of Leste 5P Multifamily Offshore Feeder, LP, a Cayman Islands exempted limited partnership (the "**Partnership**"). The Partnership will be managed by its general partner, Leste 5P Multifamily GP, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company (the "**General Partner**"). The General Partner will serve as the sole general partner of the Partnership. Leste Real Estate US (IA), LLC, a Delaware limited liability company ("**Leste**" or the "**Investment Manager**"), serves as the investment manager of the Partnership. The principal persons associated with Leste are Stephan de Sabrit and Rodrigo Machado and the principal person associated with GVA is Alan Stalcup. The biographies for certain of such principal persons are set forth below in "*Information on the General Partner, the Investment Manager and Administrator – Principal Persons Associated with the Investment Manager*" below.

The Partnership expects to invest substantially all of its assets indirectly in the Assets. The Partnership expects to invest in each Asset through a blocker corporation (the "**Blocker**"), which, in turn, will invest substantially all of its assets in a holding company (the "**Holdco**"), formed for the purpose of investing all of its investible assets in and making an Investment through a joint venture (the "**JV**") formed between such Holdco and GVA PRO LLC or one of its affiliates ("**GVA**"). The Holdco is expected to invest in its portfolio investment directly or indirectly through its respective Propco (as defined below).

The Blocker will be classified as a corporation for U.S. federal income tax purposes and will be capitalized by the Partnership with equity and with debt. Accordingly, the Blocker will issue one or more promissory notes (each, a "**Note**" and collectively, the "**Notes**") to the Partnership and equity interests to the Partnership. The ratio of the debt-to-equity capitalization of the Blocker will be determined by the General Partner in its sole discretion, depending on prevailing market conditions and certain other economic factors deemed to be relevant. The General Partner (or an affiliate thereof) will effect the issuance and redemption of the Notes for the benefit of the Partnership.

Leste 5P Multifamily US Feeder, LP, a Delaware limited partnership (the "**Onshore Partnership**"), was formed for the benefit of U.S. investors. The Onshore Partnership will also invest substantially all of its assets in the Holdco. See *Investment Program* below.

The Partnership's principal objective, through its investments in the Blocker and the Holdco and, indirectly, in the JV and the Propcos, is to acquire and develop such Investments on favorable terms, to hold such Investments and assets for income producing and investment purposes and, ultimately, to profitably sell such Investments.

Investment Program

The Partnership is expected to invest in a 1,670-unit value-add, multifamily apartment portfolio located in the Southeast U.S. and Texas. The portfolio is geographically diversified across Dallas and Houston, Texas, Nashville, Tennessee, and Greenville, South Carolina. The investment objective will be to: (1) acquire five (5) value-add, multifamily apartment communities with an experienced sponsor in rapidly growing submarkets; and (2) to reposition the units and upgrade the exterior and common areas of such communities through strategic renovations to drive rents and stabilize cash flow.

For monitoring the foregoing investments, the General Partner or the Investment Manager (or any third party engaged for this purposes) will make a due diligence prior to the acquisition of any asset by the Fund to assess risks and potential liabilities of the assets in order to confirm their valuation. The underwriting process will identify the main variables and risk factors that could affect the performance of the assets, which shall be subject to an action and monitoring plan, designed by the Investment Manager together with GVA (as defined below) to address such risks. The Investment Manager shall monitor GVA actions from time to time, as per such an action plan.

The Investment Manager will also receive from GVA quarterly reports related to the invested assets to reassess the risk and valuation of each asset. For further information, please see pages 19 and 20 – "Information on GVA and the Portfolio.

THE PARTNERSHIP'S INVESTMENT STRATEGY ENTAILS SUBSTANTIAL RISKS AND THERE CAN BE NO ASSURANCE THAT ITS OBJECTIVES WILL BE ACHIEVED. THE INVESTMENT TECHNIQUES WHICH THE INVESTMENT MANAGER MAY EMPLOY FROM TIME TO TIME ON BEHALF OF THE PARTNERSHIP CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE PARTNERSHIP'S PORTFOLIO MAY BE SUBJECT. (SEE "CERTAIN RISK FACTORS").

INFORMATION ON THE GENERAL PARTNER, THE INVESTMENT MANAGER AND THE ADMINISTRATOR

The General Partner

The General Partner of the Partnership has overall authority over, and responsibility for, the operations and management of the Partnership. The General Partner has delegated certain of its duties and responsibilities with respect to the Partnership and its Investments to the Investment Manager, as set forth below.

Leste Capital Partners (Florida), LLC ("**Leste Capital Partners**"), an affiliate of Leste, is the sole managing member of the General Partner.

Leste: The Investment Manager

Leste serves as the investment manager of the Partnership. The General Partner has delegated to Leste the making and approval of investment decisions in respect of the Partnership on the terms of the Investment Management Agreement.

Leste is registered with the SEC as an investment adviser under the Advisers Act under the umbrella registration of Leste Capital Partners, under which Leste is a relying adviser.

As described in their respective biographies below, the principal persons associated with Leste are Stephan de Sabrit and Rodrigo Machado.

Principal Persons Associated with the Investment Manager

Biographies of Leste Principal Persons

Stephan de Sabrit, Managing Partner of Leste

Mr. Sabrit is the Managing Partner of Leste Group as well as the Real Estate, Credit and Capital Markets business units. He also sits on Leste's Executive Committee. Prior to joining Leste, Mr. Sabrit was a Partner and Portfolio Manager for structured credit funds at Polo Capital Management, a Brazil-based hedge fund, where he ran a portfolio of R$1.3 billion. Earlier in his career, Mr. Sabrit served as the Managing Director of Planner Investment Bank in São Paulo, where he coordinated the issuances of over R$2 billion of local debt. Mr. Sabrit was a Founding Partner of US broker-dealer Bulltick Capital Markets and played a significant role in creating a US$980 million backed securities fund.

Rodrigo Machado, Managing Director of Leste Real Estate

Mr. Machado is a Managing Director at Leste Real Estate. Prior to joining Leste, Mr. Machado was a Managing Partner at XP Inc, Brazil's largest independent investment platform, where he was responsible for managing several real estate funds. Earlier in his career, Mr. Machado was a Partner at Brazilian Finance and Real Estate Group a leader real estate investment and solution provider platform. Prior to that he was also a Partner and Founder at Mercurio DTVM where he structured the first Brazilian REIT.

For the purposes of this Memorandum, the principal business address of the Leste principal persons set out above is the address of Leste set forth at the beginning of this Memorandum.

The Administrator

The Administrator will perform certain administrative, accounting, registrar and transfer agency services for the Partnership pursuant to the administration agreement (the "**Administration Agreement**").

The Administrator is located in Charlotte, North Carolina and offers onshore and offshore Fund Administration and Registrar & Transfer Agency services to investment managers all around the globe, including Curaçao, Europe and Brazil.

Pursuant to the Administration Agreement, the Administrator is responsible, under the overall supervision of the General Partner, for matters pertaining to the day-to-day administration of the

Partnership, namely: (i) maintaining the Partnership's financial books and records as agreed and described in the Administration Agreement; (ii) calculating management fees, considering all applicable offsets; (iii) calculating carried interest amounts associated with realized and unrealized gains and losses and applicable clawback provisions; (iv) calculating the net asset value of the Partnership, inclusive of applicable performance metrics; (v) maintaining Limited Partner capital accounts; and (iv) providing registrar and transfer agency services in connection with the capital calls and distributions and issuance of capital account statements to Limited Partners.

The Administrator may utilize the services of its affiliate Atlas Fund Services (Curaçao) N.V. (the "**Sub-Administrator**") to provide certain accounting and investor relations services to the Partnership. All fees and expenses of the Sub-Administrator will be paid by the Administrator out of its fee. References to the Administrator will be deemed to include the Sub-Administrator as applicable.

The Investment Manager, under the supervision of the General Partner, is solely responsible for the pricing of the Investments. For the purpose of calculating the net asset value of the Partnership, the Interests and in the computation of any other document or information produced in accordance with the Administration Agreement, the Administrator will, and will be entitled to, accept, use and rely on the valuations provided by the Investment Manager, the General Partner and/or other authorized agents of the Partnership and will not be liable to the Partnership in doing so. The Administrator assumes no liability or responsibility for ensuring that the values of the Investments, as provided to it by the Investment Manager, the General Partner and/or other authorized agents of the Partnership have been determined in accordance with the valuation policies and procedures adopted by the Partnership. To the extent that independent backup data is furnished to the Administrator to verify the valuation provided by the Investment Manager, the General Partner and/or other authorized agents of the Partnership, the Administrator will, in determining the net asset value of the Partnership, use its best efforts to review such data but cannot guarantee the accuracy of such backup data nor can the Administrator form any view as to whether the valuation determined by the Investment Manager, the General Partner and/or other authorized agents of the Partnership using such backup data is reasonable. The Administrator may, in its absolute discretion, rely upon the most recent valuation report issued by a valuation agent as of a date prior to the date that the net asset value is being calculated and will not be liable to the Partnership in so doing.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement. The Partnership may retain other service providers affiliated with the Administrator to perform the administrative services that would otherwise be performed by the Administrator. Those service providers may be located in the United States.

The Administration Agreement is for an indefinite term; provided, however, that the Administration Agreement is subject to termination by the Administrator or by the Partnership upon ninety (90) days' written notice, or immediately in certain other circumstances specified therein.

Under the Administration Agreement:

(a) the Partnership has agreed to indemnify and hold harmless the Administrator against any expenses, liability, actions, proceedings, claims, demands or costs in connection therewith which may be incurred by the Administrator or which may be made against the Administrator in respect of the same sustained or suffered by any third party, except that the Administrator will not be indemnified against any liability to which it would be subject by reason of its gross negligence, fraud or willful misconduct; and

(b) in the absence of gross negligence (as determined under the laws of the State of Delaware), fraud or willful misconduct in the performance of its duties under the Administration Agreement, the Administrator will not be liable to the Partnership on account of anything done, omitted or suffered by the Administrator in good faith pursuant to the Administration Agreement in the performance of its obligations under the Administration Agreement.

The Administrator is not responsible for any investment decisions of the Partnership (all of which will be made by the Investment Manager). The Administrator will not be responsible for verifying the Investments held by the Partnership or their existence. The Administrator will not be responsible in any

way for the Partnership's selection or ongoing monitoring of its brokers(s), custodians(s), sales agents and other counterparties ("**Counterparties**"). The decision to select any Counterparties in connection with this offering will be made by the Partnership. The Administrator in no way acts as guarantor or offeror of the Interests or any Investment, nor is it responsible for the actions of the Counterparties or the Investment Manager.

THE ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT ADVISORY OR MANAGEMENT SERVICE TO THE PARTNERSHIP AND THEREFORE WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE PARTNERSHIP'S PERFORMANCE. THE ADMINISTRATION AGREEMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS AGAINST OR RELIANCE ON THE ADMINISTRATOR BY ANY PERSON NOT A PARTY THERETO INCLUDING, WITHOUT LIMITATION, ANY LIMITED PARTNER OR COUNTERPARTY. THE ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH THE INVESTMENT RESTRICTIONS AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

Auditors

KPMG, Cayman Islands has been appointed to act as auditors to the Partnership.

INFORMATION ON GVA AND THE PORTFOLIO

The Blocker, the Holdco, the JV and the Propcos

The Partnership has been formed for the purpose of directly or indirectly acquiring, developing, managing and holding real property and real property related investments (the "**Portfolio**" or "**Investments**" and each such real property, an "**Asset**"). All Assets are expected to be managed by GVA PRO LLC or its affiliates ("**GVA**").

The Partnership expects to invest substantially all of its assets indirectly in the Assets. The Partnership expects to invest in each Asset through a blocker corporation ("**Blocker**"), which, in turn, will invest substantially all of its assets in a holding company (the "**Holdco**"), formed for the purpose of investing all of its investible assets in and making an Investment through a joint venture (the "**JV**") formed between such Holdco and GVA PRO LLC or one of its affiliates ("**GVA**"). It is anticipated that the Holdco will make the Investments by investing in the JV, which will further invest in the Assets directly or indirectly as a limited partner or member in one or more special purpose vehicles ("**Propcos**") established for the purpose of making such Investments. As the context requires, references herein to the Holdco, or to investments in or by the Holdco, should be read to include reference to the JV and Propcos through which the Holdco indirectly will invest in the respective Asset.

The Blocker is managed by Leste 5P Multifamily GP, LLC (i.e., the General Partner). The Blocker will be classified as a corporation for U.S. federal income tax purposes and will be capitalized by the Partnership with equity and with debt. Accordingly, the Blocker will issue one or more promissory notes (each, a "**Note**" and collectively, the "**Notes**") to the Partnership and equity interests to the Partnership. The ratio of the debt-to-equity capitalization of the Blocker will be determined by the General Partner in its sole discretion, depending on prevailing market conditions and certain other economic factors deemed to be relevant. The General Partner (or an affiliate thereof) will effect the issuance and redemption of the Notes for the benefit of the Partnership.

The Holdco is managed by Leste 5P Multifamily GP, LLC (i.e., the General Partner) (in such capacity, the "**Leste Holdco Manager**"). The JV is managed by GVA, in its capacity as the managing member of the JV (in such capacity, the "**GVA Portfolio Manager**").

The Promote and Management Fee Arrangement

The Leste Holdco Manager will receive a 20% promote fee (the "**Leste Promote**") in connection with the investment activities of the Holdco after payment of an 8% preferred return to its investors—i.e., the Partnership (indirectly through the Blocker), the Onshore Partnership and Leste Opportunity Holdco.

The GVA Portfolio Manager will receive a promote fee (the "**GVA Promote**") in connection with the investment activities of the JV, which is expected to be: (i) 20% of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 10% on the unreturned capital contributions by its members; (ii) 40% of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 14% on the unreturned capital contributions by its members; and (iii) 50% of any distributable cash of the JV after satisfaction of a cumulative, annually compounded preferred return of 18% on the unreturned capital contributions by its members. The GVA Promote may be changed by unanimous consent of the members of the JV.

The Holdco will each pay the Investment Manager a management fee (the "**Management Fee**"), a proportionate share of which will be an Operating Expense borne by the Partnership and, ultimately, the Partners. The Management Fee will be 0.375% per quarter (i.e., 1.25% per annum) of the cumulative invested capital relating to each Asset of the Portfolio that has not been sold, otherwise disposed of, or written off for U.S. federal income tax purposes (regardless of the amount of distributions returned to a Partner relating to such Asset). For purposes of clarity, any expenses incurred or payable at the Holdco level will be allocated among the Partnership, the Onshore Partnership, and Leste Opportunity Holdco (as defined above), based on the amount of contributions made (directly or indirectly) to the Holdco, unless the Leste Holdco Manager determines otherwise to be fair and equitable.

Background on GVA

GVA PRO LLC is an affiliate of GVA Real Estate Group. GVA Real Estate Group is an Austin-based vertically integrated real estate company committed to creating value in the multi-family real estate sector. GVA Real Estate Group specializes in conventional as well as affordable opportunities, paying particular attention to expanding sub-markets. Through owning and managing a diverse set of assets, GVA Real Estate Group accomplishes the challenging feat of simultaneously mitigating risk while tapping into market upside. GVA Real Estate Group's directive is to add value, improve communities, while increasing investor's equity returns safely.

POTENTIAL CONFLICTS OF INTEREST

Leste, the GVA Portfolio Manager, the General Partner and their respective affiliates, as well as the Administrator and Auditors may from time to time act in a similar capacity to, or otherwise be involved in, other funds or investment schemes, including, without limitation, the Onshore Partnership, the Blocker, Leste US Properties Limited, Leste Opportunity Holdco and the Propcos (collectively, the "**Other Accounts**"), some of which may have similar investment objectives to those of the Partnership. In addition, Leste, the GVA Portfolio Manager and their respective affiliates are involved in managing one or more of the Partnership, the Onshore Partnership, the Blocker, the Holdco, the Portfolios, the Propcos and the Assets. Thus, these entities may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Partnership and the activities each has undertaken or will undertake with respect to other investors or Other Accounts. The Investment Manager and other affiliates, including those involved in the investment activities and business operations of the Partnership, are engaged in businesses in addition to, or unrelated to, the Partnership. Any such conflict of interest could have a material adverse effect on the Partnership and the Limited Partners' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Partnership. When a conflict of interest arises, the Investment Manager and the General Partner, as applicable, will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its fiduciary duties to the Partnership. Leste has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Conflicts of Interest, Generally

Conflicts of interest may exist in the structure and operation of the Partnership's business. If any matter arises that the General Partner, the Investment Manager, or any of their affiliates, determines in its good faith judgment constitutes an actual conflict of interest, the General Partner, the Investment Manager, or such affiliate, as applicable, will take such actions as it determines in good faith may be, or which pursuant to the Limited Partnership Agreement are, necessary or appropriate to ameliorate the conflict. There can be no assurance that the General Partner, the Investment Manager, or their affiliate, as applicable, will resolve all conflicts of interest in a manner that is favorable to the Partnership. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Partnership. By acquiring the Interests, each investor will be deemed to have acknowledged the existence of such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Leste and GVA Control

As described above, Leste 5P Multifamily GP, LLC serves as both the general partner of the Partnership and the Onshore Partnership and as the manager of the Blocker (the investments in which the Partnership invests substantially all its assets) and the Holdco, while the GVA Portfolio Manager serves as the manager of the JV. These roles create certain conflicts of interest, of which potential investors should be aware.

Potential investors should also be aware that (a) Leste controls the General Partner and is the Investment Manager, (b) GVA is a co-venturer in the JV and controls the JV (in its capacity as the GVA Portfolio Manager) and (c) such participation by Leste and GVA at various levels of the Partnership's investment structure creates certain conflicts of interests to be addressed during the Partnership's investment and operational activities.

The Promote

The fact that (i) the Leste Holdco Manager acts as the manager of the Holdco and also receives the Leste Promote at the Holdco level and (ii) the GVA Portfolio Manager act as the manager of the JV and also receives the GVA Promote at the JV level may create an incentive for the Leste Holdco Manager to cause the Holdco or the GVA Portfolio Manager to cause the JV to directly or indirectly, as the case may be, make Investments or enter into transactions that are riskier or more speculative than would be the case if the Leste Holdco Manager and the GVA Portfolio Manager did not receive the Leste Promote

and the GVA Promote, respectively. The Leste Promote was set by the General Partner in its sole discretion and the GVA Promote was negotiated between the General Partner and GVA.

It is anticipated that neither the Holdco and the Leste Holdco Manager nor the JV and the GVA Portfolio Manager will generally receive the benefits of "long-term capital gain" tax rates with respect to the Leste Promote and the GVA Promote, respectively, unless and to the extent any relevant investment is held for more than three years. As a result, the Leste Holdco Manager and the GVA Portfolio Manager or a respective affiliate may have a conflict of interest in determining or influencing whether to sell the Assets indirectly held by the Holdco through the JV that are approaching a three-year holding period. Notwithstanding such conflict of interest, it is not intended that the Holdco or the JV will hold such Investments unless it determines that it is in the Partnership's interest to do so.

Leste is Also Investment Manager of Leste US Properties Limited and Leste Opportunity Holdco

Leste and its affiliates also act as investment manager and/or manager of Leste US Properties Limited and Leste Opportunity Holdco. Leste US Properties Limited is expected to co-invest with the Partnership in the Portfolio through the Blocker. Leste Opportunity Holdco is also expected to co-invest with the Partnership in the Portfolio through the Holdco. Leste US Properties Limited and Leste Opportunity Holdco have different investors, terms, investment and divestment periods, compared to the Partnership. In addition, Leste and its affiliates receive compensation such as management fees and other incentive compensation in connection with their activities related to Leste US Properties Limited and Leste Opportunity Holdco. As a result, the Investment Manager or an affiliate may have a conflict of interest in determining whether to hold or sell the Assets indirectly held by each of the Blocker and the Holdco if the conditions are not adequate to Leste US Properties Limited and Leste Opportunity Holdco, respectively.

Time and Commitment

The General Partner, the Investment Manager and their respective affiliates, partners, members, officers, principals and employees will devote as much of their time to the activities of the Partnership and the Holdco as they deem in good faith to be necessary and appropriate. The General Partner, the Investment Manager and their respective affiliates generally are not subject to restrictions from forming additional investment funds, from entering into other investment management relationships or from engaging in other business activities, even though such activities may be in competition with the Partnership and/or may involve substantial time and resources of the General Partner, the Investment Manager and their respective affiliates.

Management of the Partnership

In addition to the Partnership, the Investment Manager or its affiliates may serve as investment manager to certain Other Accounts. The investment strategies employed for such Other Accounts could conflict with the transactions and strategies employed in managing the Partnership's investments and affect the prices and availability of the investment opportunities in which the Partnership invests. Conversely, participation in specific investment opportunities may be appropriate for the Partnership and such Other Accounts.

Diverse Limited Partners

The investors may have conflicting investment, tax and other interests with respect to their investments in the Partnership. The conflicting interests of certain investors may relate to or arise from, among other things, the nature of the investments made by the Partnership and/or the Holdco, the structuring or the acquisition of Investments, and the timing of the disposition of Investments. As a consequence, conflicts of interest may arise in connection with the decision made by the Investment Manager or its affiliates, including with respect to the nature or structuring of Investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Notwithstanding the foregoing, in selecting and structuring investments appropriate for the Partnership, the Investment Manager will consider the investment objectives of the Partnership and the Limited Partners as a whole, not the investment or other objectives of any Limited Partner individually.

Other Fee Income

The Investment Manager or GVA, directly or through affiliates, may provide services customarily provided for in property management agreements (or similar services) to some or all of the Partnership's investments and/or properties. There is no current intention for the Investment Manager or any affiliate to do so, but if the Investment Manager or affiliate does provide such services, in no event will the aggregate fees paid for such services exceed fair market rates, as determined by the General Partner in good faith. To the extent the Investment Manager or its affiliates provide such other services, fees for any such other services ("**Other Fee Income**") will be charged at competitive rates not in excess of fair market rates, as determined by the General Partner in good faith. Any Other Fee Income received by the Investment Manager or its affiliates will not reduce or offset the Management Fee or Leste Promote payable by the Holdco or the GVA Promote payable by the JV, or any other fees payable directly or indirectly by any Partner. The ability of the Investment Manager and its affiliates to receive such fees for providing property management services to the Propcos and/or Investments creates a potential conflict of interest that potential investors should be aware of.

The General Partner, the Investment Manager and their affiliates may also be reimbursed for the costs of services that could be performed directly for the Partnership, the Holdco, the JV, the Propcos and/or the Assets by independent parties, including legal, accounting, reporting, consulting, transfer agent and data processing services but which are in fact performed by the General Partner, the Investment Manager and their affiliates, but not in excess of the actual costs of providing such services; which in no event will exceed amounts which the Partnership would otherwise be required to pay to independent parties for comparable services.

Valuation of the Assets

The Partnership has not appointed an independent third party nor an administrator to perform valuations of the Assets of the Partnership. The Partnership will therefore rely upon the Investment Manager under the supervision of the General Partner to value the Assets of the Partnership. The values determined by the Investment Manager may differ from values determined by any independent third party for similar types of assets. As the valuation function undertaken by the Investment Manager under the supervision of the General Partner is not independent from its portfolio management function, the Investment Manager and General Partner are subject to potential conflicts of interest where such valuations could materially affect the value of the relevant asset(s) and thus the reported Partnership performance. As the valuation function is not performed by an independent third party, the Authority may require the Partnership to have its valuations verified by an auditor or independent third party.

Safekeeping of the Assets

The General Partner considers it neither practical nor proportionate to appoint a third party custodian in view of the investment strategy of the Partnership and the type of assets it holds. The Partnership will rely instead upon the Investment Manager under the supervision of the General Partner to verify, based on information provided by the Partnership and available external information, that the Partnership holds title to the fund assets and maintain a record of the same. Accordingly, whilst the Investment Manager under the supervision of the General Partner will verify the existence and amounts of the assets of the Partnership, such title verification will not be performed by a custodian, administrator or other independent third party. In addition, as the title verification function undertaken by the Investment Manager under the supervision of the General Partner is not independent from its portfolio management function, the Investment Manager and the General Partner are subject to potential conflicts of interest and investors should note that there is no appointed independent third party monitoring, or with oversight over, the General Partner or the Investment Manager which could identify such omissions. As the title verification function is not performed by a custodian, administrator or another independent third party, the Authority may require the Partnership to have its title verification verified by an appropriately professionally qualified independent third party.

Cash Monitoring

The Partnership will not appoint an administrator, custodian or another independent third party to perform the cash monitoring duties prescribed under the Private Funds Act. The Partnership will rely instead upon the Investment Manager under the supervision of the General Partner for such cash monitoring function. As the cash monitoring function of the Investment Manager under the supervision

of the General Partner is not independent from its portfolio management function, the Investment Manager and General Partner are subject to potential conflicts of interest and investors should note there is no appointed independent third party monitoring, or with oversight over, the Investment Manager or the General Partner which could identify such omissions. As the cash monitoring function is not performed by a custodian, administrator or another independent third party, the Authority may require the Partnership to have its cash monitoring verified by an appropriately professionally qualified independent third party.

No Separate Counsel

DLA Piper LLP (US) represents the General Partner, the Investment Manager and the Partnership as U.S. legal counsel in connection with the formation of the Partnership and the issuance of Interests in the Partnership. Neither the Partnership nor the Limited Partners will be separately represented by counsel. Investors should consult with their own counsel in respect of all legal matters relating to their investment in Interests.

Conyers Dill & Pearman LLP represents the General Partner, the Investment Manager and the Partnership as Cayman Islands legal counsel in connection with the formation of the Partnership and the issuance of Interests in the Partnership. The Partnership will not be separately represented by counsel. Investors should consult with their own counsel in respect of all legal matters relating to their investment in Interests.

FEES AND EXPENSES

Substantial Charges to the Partnership; "Layering" of Fees and Expenses

Multiple layers of fees, expenses and carried interest, incentive fees or allocations will result from an investment in the Partnership, its investment in the Blocker and its indirect investment in the Holdco, the JV, the Propcos and the Assets. The Blocker, the Holdco, the JV, the Propcos and any Access Vehicle will have investment and operating expenses, and the Partnership will ultimately be responsible for a pro rata portion of such expenses. The Partnership indirectly incurs, through its investment in the Holdco, substantial charges for management fees and "carried interest," in the form of the Leste Promote at the Holdco level and the GVA Promote at the JV level.

The Partnership is obligated to pay its offering and organizational expenses, a pro rata share of the operating and organizational expenses of the Blocker, the Holdco, the JV, the Propcos and any Access Vehicle and other formation expenses incurred by the Investment Manager or its affiliates under the Limited Partnership Agreement. Furthermore, each Limited Partner is obligated to bear its indirect allocable portion of the Management Fee incurred at the Holdco level, the Leste Promote paid by the Partnership at the Holdco level, the GVA Promote paid by the Holdco, respectively, at the JV level, in addition to the operating and organization expenses of the Blocker, the Holdco, the JV and the Propcos. The foregoing charges will effectively reduce the amounts that would otherwise be available by the Partnership for distribution. As a result, the expenses of the Partnership will likely constitute a higher percentage of net assets than in other investment entities which do not use a multi-layered approach. The foregoing fees and expenses will reduce the amount otherwise distributable to each Limited Partner with respect to their Interests in the Partnership.

Management Fee

The Holdco (and therefore, indirectly, the Limited Partners) will each pay the Investment Manager a quarterly Management Fee, as set forth in the "SUMMARY OF THE OFFERING – Management Fees."

Property Diligence Fee

The Holdco (and, by extension, the Limited Partners) will each pay Leste (or its affiliate) a one-time Property Diligence Fee as set forth in the "SUMMARY OF THE OFFERING – Property Diligence Fee."

Other Fee Income

The Investment Manager or GVA, directly or through affiliates, may provide services customarily provided for in property management agreements (or similar services) to some or all of the Partnership's investments and/or properties. There is no current intention for the Investment Manager or any affiliate to do so, but if the Investment Manager or affiliate does provide such services, in no event will the aggregate fees paid for services provided to the Partnership exceed fair market rates, as determined by the General Partner in good faith. To the extent the Investment Manager or its affiliates provide such other services, fees for any such other services ("**Other Fee Income**") will be charged at competitive rates not in excess of fair market rates, as determined by the General Partner in good faith. Any Other Fee Income received by the Investment Manager or its affiliates will not reduce or offset the Management Fee payable by the Holdco or the promote, or any other fees payable directly or indirectly by any Partner.

The General Partner, the Investment Manager and their affiliates may also be reimbursed for the costs of services that could be performed directly for the Partnership, the Blocker, the Holdco, the JV, the Propcos and/or the Assets by independent parties, including legal, accounting, reporting, consulting, transfer agent and data processing services but which are in fact performed by the General Partner, the Investment Manager and their affiliates, but not in excess of the actual costs of providing such services; which in no event will exceed amounts which the Partnership would otherwise be required to pay to independent parties for comparable services.

Operating Expenses

The Partnership will pay, or reimburse the Investment Manager and/or the General Partner for advancing, the Partnership's Operating Expenses as set forth in the "SUMMARY OF THE OFFERING – Operating Expenses."

Organizational Expenses

The Partnership will pay up to US$500,000 in organizational and offering expenses of the Partnership, the Blocker and any Access Vehicle and a pro rata share of the formation and organization expenses relating to the Holdco, the JV and the Propcos. Organizational Expenses in excess of this amount will be paid by the Partnership but borne by the Investment Manager or its affiliates (i.e. not by the Limited Partners) through a 100% offset against the Management Fee otherwise ultimately payable by the Limited Partners.

The Partnership's organizational and initial offering expenses may, in the sole discretion of the General Partner, be amortized over a period of up to sixty (60) months from the date the Partnership commences its investment activities. Such amortization is a divergence from GAAP, which might, in certain limited circumstances, result in a qualification of the Partnership's annual audited financial statements. If the Partnership amortizes its expenses but terminates before such expenses are fully amortized, the unamortized portion of the organizational expenses will be debited against the Partnership's assets at that time. If a Limited Partner withdraws all or any portion of the balance in its Capital Account(s) prior to the end of the 60-month period during which the Partnership is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

General Partner and Investment Manager Expenses

The Investment Manager and the General Partner will be responsible for the costs incurred by the Investment Manager and the General Partner, respectively, in otherwise managing the Partnership, including all salaries, bonuses, and employee benefit expenses of employees of the Investment Manager and the General Partner and any of their affiliates involved in the management and conduct of the Partnership's business and affairs and related overhead (including rent, utilities, office supplies, secretarial services and other similar items).

SUBSCRIPTION, WITHDRAWAL AND TRANSFER OF INTERESTS

The rights and obligations of the holders of Interests are governed by the Limited Partnership Agreement and the Subscription Agreement. Prospective investors should examine these documents carefully and consult with their own legal counsel concerning their rights and obligations before subscribing for Interests. The following statements and other statements in this Memorandum concerning the Limited Partnership Agreement and related matters are only a summary, do not purport to be complete, and in no way modify or amend the Limited Partnership Agreement.

Suitability

Interests in the Partnership will be offered only to persons who qualify as “accredited investors” (within the meaning of Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended) and “qualified clients” (as defined in Rule 205-3 under the Advisers Act).

Interests may be purchased only by eligible investors who are aware of the risks associated with the investment activities to be undertaken by the Partnership, who do not require immediate liquidity from their investments and who are aware that there can be no assurance that the Partnership or the Interests will be profitable or that the Partnership will be able to meet its investment objective.

Subscription for Interests

Subscription Agreements will, save as determined by the General Partner, be irrevocable and must be sent to the Administrator (along with all supporting documentation) either by e-mail to investorservices@atlasfundservices.com or by facsimile at +1 (786) 228 0258.

The Administrator will, on behalf of the Partnership acknowledge all subscription requests by way of trade confirmation upon approval by the Partnership. In the event that no acknowledgement is received from the Administrator within seven (7) days of submission of the subscription request, the prospective Limited Partner must contact the Administrator either by telephone on +1 (704) 322 3511 or by e-mail to investorservices@atlasfundservices.com to confirm receipt by the Administrator of the request. The prospective Limited Partner cannot assume its successful subscription until it receives a trade confirmation. Subscription requests sent to the Administrator will only be effective when actually acknowledged by the Administrator. If the subscription is not accepted, payment will be returned without deduction or interest. Interests are issued in registered form and no certificate will be issued. Neither the Partnership nor the Administrator accepts any responsibility for any loss arising from the non-receipt by the Administrator of any Subscription Form sent by email or facsimile.

In the case of mis-receipt or corruption of any message, the prospective Limited Partner will be required to re-send the documents. Please note that messages sent via email must contain a duly signed document as an attachment.

The Partnership and/or the Administrator reserves the right to require additional information and certification to comply with money laundering regulations or to reject subscriptions in whole or in part, in which event subscription payments will be refunded at the applicant's risk, without interest.

Transfers

No Interests may be sold, transferred, assigned, pledged, charged or disposed of or encumbered without the prior written consent of the General Partner or their authorized agents which may be withheld in their sole discretion. Any attempt to transfer, assign or dispose of the Interests without the prior written consent of the General Partner or their authorized agents will be void.

The transferee must satisfactorily complete and return all forms and documentation necessary to become an investor in the Partnership and provide the Partnership and the Administrator with all information requested by the Partnership and/or the Administrator, including in connection with the discharging of the Partnership's and the Administrator’s anti-money laundering and know your client information duties in accordance with applicable laws. Further, as there is no independent market for the purchase or sale of Interests in the Partnership, the transferee must represent that they are purchasing Interests for investment purposes only, solely for their own account and not with a view to

or present intention to transfer the Interests. The transferee must also meet other suitability requirements.

Subject as aforesaid, Interests are transferable by written instrument signed by the transferor, but transfers will not be effective until approved by the General Partner. Limited Partners wishing to transfer Interests must complete and sign the transfer in the exact name or names in which the Interests are registered, indicating any special capacity in which they are signing and supply the details to the Partnership and the Administrator.

Modification of Rights attaching to the Interests

The Limited Partnership Agreement may be modified or amended at any time and from time to time by the consent of at least 75% in interest of the Limited Partners, which may be written or passive. Limited Partners will be deemed to have consented to such modification or amendment if they fail to object to such modification or amendment within (30) thirty consecutive days after being notified by the General Partner. Without the consent of the Limited Partners, however, the General Partner may amend the Limited Partnership Agreement in order to effect any change that does not adversely affect the non-consenting Limited Partners in any material respect. For the avoidance of doubt, the extension of a benefit or waiver to one Limited Partner will not be deemed to adversely affect the other Limited Partners in any material respect. Each Limited Partner, however, has the right to approve any amendment that would (a) reduce its Capital Account or (b) amend the provisions of the Limited Partnership Agreement relating to amendments.

Side Letter Disclosure

The Partnership may from time to time enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more Limited Partners which provide such Limited Partners with additional and/or different rights (including, without limitation, economic rights) than such Limited Partners have pursuant to this Memorandum. As a result of such Side Letters, certain Limited Partners may receive additional benefits which other Limited Partners will not receive. The General Partner will not be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners. The General Partner may enter into such Side Letters with any party as the General Partner may determine in its sole discretion at any time. The other Limited Partners will have no recourse against the Partnership, the Investment Manager and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. The Onshore Partnership may enter into similar arrangements

Indemnification

The Limited Partnership Agreement provides that the Partnership will indemnify and hold harmless the General Partner, Leste and any of their respective affiliates, members, directors, officers, employees and agents to the fullest extent permitted by law from and against any costs, losses, claims, damages, liabilities, expenses (including reasonable legal and other professional fees and disbursements), judgments, fines or settlements suffered or sustained by it by reason of the fact that it is or was the General Partner, Leste or an affiliate, member, director, officer, employee or agent therefor and incurred in connection with the defense of any actual or any threatened claim, action, suit or proceeding, *provided* that such losses or expenses resulted from action or inaction taken without bad faith, gross negligence (as determined under the laws of the State of Delaware), actual fraud or willful misconduct. The Partnership will, at the request of the General Partner, advance amounts and/or pay expenses as incurred in connection with its indemnification obligation. The Investment Management Agreement contains substantially identical obligations for the Investment Manager. Nothing herein or in the Limited Partnership Agreement or the Investment Management Agreement is intended to limit, or will in any way limit, the rights available to the Partnership or Limited Partners in a manner that contravenes applicable securities laws.

The Partnership intends to purchase and maintain insurance on behalf of the General Partner, the Investment Manager and/or their respective principals, employees, managers, members, officers, agents and affiliates (or reimburse the General Partner or the Investment Manager for the cost of any

insurance which they purchased for such purpose) against any liability which may be asserted against or expense which may be incurred by any of them in connection with the Partnership's activities whether or not the Partnership would have the power to indemnify any of them against such liability under the provisions of the Limited Partnership Agreement.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE PARTNERSHIP. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE INVESTOR.

The following is a brief summary of certain U.S. federal income tax considerations that may be applicable to an investment in the Partnership. For purposes of this summary, a "**U.S. Partner**" means any Limited Partner of the Partnership that is a "United States person" (and, unless the context otherwise requires, includes any United States person that holds an equity interest in the Partnership through one or more partnerships or other entities treated as transparent for U.S. federal income tax purposes) which is: (i) an individual who is a citizen or resident of the U.S., or is otherwise treated as a resident of the U.S. for federal income tax purposes; (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia; (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person. The term "**non-U.S. Partner**" means a Limited Partner that holds an equity interest in the Partnership and is not a United States person.

This summary is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), the applicable existing and proposed regulations promulgated thereunder (the "**Regulations**"), and administrative or judicial interpretations thereof, all as in effect on the date of this Memorandum (and all of which may be subject to change, possibly with retroactive effect).

The following summary does not purport to address (and does not address) all aspects of taxation that may be relevant to a holder of an interest in the Partnership in light of such holder's own tax, financial, investment and/or other circumstances.

The discussion applies only to Limited Partners that hold Interests in the Partnership as capital assets (generally, property held for investment). Further, the discussion does not address the tax treatment of Limited Partners that may be subject to special U.S. federal income tax rules (including, but not limited to, banks, broker/dealers, insurance companies, regulated investment companies, retirement plans, pension funds, parties receiving Interests in connection with the performance of services and U.S. expatriates). The discussion does not address any specific state, local or foreign tax consequences of an investment in the Partnership.

The Partnership has not sought a ruling from the U.S. Internal Revenue Service (the "IRS") or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Partnership, nor has it obtained an opinion of counsel with respect to any tax issues. Accordingly, there can be no assurance that positions taken by the Partnership will not be successfully challenged by the IRS or that the IRS or the courts will not sustain positions contrary to statements made herein. Limited Partners are urged to consult their own tax advisors concerning the application of U.S. federal income tax law to their particular circumstances, as well as with respect to any state, local or foreign tax consequences of being a Limited Partner in the Partnership.

U.S. Federal Income Tax Considerations Applicable to the Interests

Classification as a Partnership

For U.S. federal income tax purposes, the Partnership intends to treat itself as a "partnership" (and for each Limited Partner to be treated as a "partner" of a "partnership"). Unless otherwise expressly noted herein, this summary assumes that the Partnership and each Limited Partner will be so treated.

An entity that is otherwise classified as a partnership for U.S. federal income tax purposes will nonetheless be classified as an association taxable as a corporation if it is a publicly traded partnership

(a "**Publicly-Traded Partnership**") that does not satisfy the "gross income requirements" of Code Section 7704(c)(2) unless it meets certain exceptions. In general, a Publicly-Traded Partnership is any partnership where (1) interests in such partnership are traded on an established securities market, or (2) interests in such partnership are readily tradable on a secondary market (or the substantial equivalent thereof). The Regulations under Code Section 7704 address when a partnership will be viewed as satisfying either of these criteria. The Partnership does not believe that it is a Publicly-Traded Partnership under the definition described above. Even if the Partnership were to satisfy the aforementioned definition of a Publicly-Traded Partnership, there is a "private placement" safe harbor (among other safe harbors), whereby a partnership would not be treated as a Publicly-Traded Partnership if (a) all interests in the partnership are issued in a transaction (or transactions) that is not required to be registered under the Securities Act of 1933; and (b) the partnership does not have more than 100 direct (and, under an anti-avoidance rule, indirect) partners at any time during the taxable year of the partnership (the "**Private Placement Safe Harbor**"). The General Partner currently intends for the Partnership not to have more than 100 direct (or indirect) Partners and, thus, for the Partnership to qualify for the Private Placement Safe Harbor. Accordingly, the Partnership believes that it should constitute, and intends to treat itself as, a "partnership" (with each Limited Partner being treated as a "partner" thereof) for U.S. federal income tax purposes.

Allocations of Profits and Losses

As a partnership, the Partnership will not itself be subject to U.S. federal income tax. However, through its equity interests in the Blocker, the Partnership will be indirectly subject to entity-level U.S. federal income tax. As domestic corporations for U.S. federal income tax purposes, the Blocker will be subject to U.S. federal income tax, currently at a flat rate of 21%, and possibly to state and local taxes as well.

The Partnership will file an annual partnership information return on IRS Form 1065 (and all schedules and exhibits therewith) with the IRS which reports the results of its operations. The Partnership will be required to report on its own tax return its distributive shares of net long-term capital gain or loss, net short-term capital gain or loss, net ordinary income or deduction, and various other categories of income, gain, loss, deduction, and credit of each partnership in which it invests. Such items of the Partnership will be allocated to each Partner for each fiscal year or other accounting period (each such fiscal year or other accounting period, an "**Accounting Period**") pursuant to the terms of the Limited Partnership Agreement.

U.S. Partners must report its distributive share of the Partnership's Profits and Losses (as defined in the Limited Partnership Agreement), including such Partner's distributive share of the Partnership's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss earned during each Accounting Period regardless of the extent to which, or whether, they receive cash distributions from the Partnership for such Accounting Period, and thus may incur income tax liabilities unrelated to (and in excess of) any distributions from the Partnership. It is intended that the allocations of Profits and Losses satisfy the requirements under Section 704(b) of the Code and the Regulations promulgated thereunder. Generally, such allocations satisfy the requirements under Section 704(b) of the Code and the Regulations promulgated thereunder if they have "substantial economic effect" or otherwise are made in accordance with the Partners' interests in the Partnership, taking into account all the facts and circumstances. Under the Limited Partnership Agreement, the Partnership will, generally, allocate such income, deductions, gains, losses and credits in a manner that most clearly reflects the amount of distributable cash that each Partner would receive if the Partnership sold all of its assets for their book value in a hypothetical liquidation, satisfied all of its liabilities and then distributed the balance of the distributable cash to the Partners in accordance with the distribution provisions of the Limited Partnership Agreement. However, if the IRS were to determine that an allocation made by the Partnership with respect to a particular item did not have "substantial economic effect" (within the meaning of the Regulations issued under Section 704(b) of the Code) or was not in accordance with the Limited Partners' interests in the Partnership, taking into account all the facts and circumstances, that item could be allocated, for U.S. federal income tax purposes, in a different manner. In some circumstances, this could result in a Limited Partner recognizing a greater or lesser amount of loss, deduction, gain, or income than he, she, or it would have recognized under the allocation made by the Partnership or in such Limited Partner recognizing an amount of loss, deduction, gain, or income at a different time than he, she, or it would have recognized such amount under the allocation made by the Partnership. In addition, under certain circumstances and pursuant to applicable provisions of the Code and Regulations, Limited Partners may be allocated items of taxable income which differ from

allocations of Partnership items for book purposes, causing Limited Partners allocated such items to be subject to additional tax liabilities.

The determination and allocation of Profits and Losses, is extremely complex. This summary is not intended to serve as a substitute to reviewing the Limited Partnership Agreement of the Partnership in its entirety. Each Limited Partner is strongly urged to review the Limited Partnership Agreement with its tax advisor in order to gain a comprehensive understanding of how Profits and Losses are both determined and allocated for each Accounting Period.

Taxation of Capital Contributions.

No gain or loss generally will be recognized by a Limited Partner upon the acquisition of an Interest for cash. However, if appreciated property is contributed to the Partnership, and if the Partnership were deemed to be an "investment company" within the meaning of Section 721(b) of the Code, gain would be recognized to the contributing Limited Partner at the time of the contribution. Prospective Limited Partners should consult their own tax advisors concerning this issue. Even if no gain were required to be recognized by a Limited Partner on the contribution of appreciated property to the Partnership, on a subsequent recognition of that appreciation by the Partnership due to a taxable disposition of the property, the amount of such appreciation generally would be taxed to the contributing Partner for income tax purposes under Section 704(c) of the Code. The amount of such gain also could be taxed to the contributing Limited Partner if the appreciated property were subsequently distributed by the Partnership to a Limited Partner other than the contributing Limited Partner, or if other property were distributed by the Partnership to the contributing Limited Partner.

Tax-Exempt Investors - Unrelated Business Taxable Income.

It is not expected that the Partnership will earn income other than Interest on the Notes and distributions from, or gain from the disposition of the stock of, the Blocker. Thus, Profits of the Partnership allocated to a Limited Partner who is a tax-exempt entity (such as a qualified pension or profit-sharing plan or other tax-exempt entity) are not expected to constitute "unrelated business taxable income" ("**UBTI**") unless such tax-exempt entity's investment in the Partnership is debt financed. A full discussion of UBTI is outside the scope of this document. Thus, any tax-exempt entity that is considering an investment in the Partnership should consult with its tax advisors regarding the potential that such investment may give rise to UBTI.

State, Local and Foreign Taxes

Each Limited Partner may be liable for state, local and foreign income taxes payable in the state or locality in which it is a resident or doing business or in a state or locality in which the Partnership conducts or is deemed to conduct business. ***The income tax laws of each state and locality may differ from the above discussion of U.S. federal income tax laws so each Limited Partner should consult his, her or its own tax advisor with respect to potential state and local income taxes payable as a result of an investment in the Partnership.***

Partnership Information Returns and Schedule

The Partnership will file an information return on Internal Revenue Service Form 1065 and will provide information on Schedule K-1 to each Limited Partner following the close of the taxable year. If necessary, the Partnership will also provide the Limited Partners with information necessary for Limited Partners to comply with state income tax filing requirements in states in which the Partnership operates. Each Limited Partner will be responsible for the preparation and filing of such Limited Partner's own income tax return and incorporating (to the extent appropriate) in such return the Limited Partner's share of the Partnership's income, gain, loss and deduction as reported on the Schedule K-1. It is possible that the timing of delivery of Schedule K-1 by the Partnership may require Limited Partners to file for extensions for the completion of their tax returns.

Audits

The General Partner or its designee will act as the "partnership representative" of the Partnership. The partnership representative will have the authority, subject to certain restrictions, to act on behalf of the

Partnership in connection with any administrative or judicial review of items of the Partnership's income, gain, loss, deduction, or credit.

A tax return preparer may not sign a return without itself incurring a penalty unless either in its view each position taken on such return is more likely than not to be sustained if challenged by the Service or such position is separately disclosed on the return. The Partnership may adopt positions that require such disclosure, which may increase the likelihood the Service will examine the Partnership's tax returns, or may forego otherwise valid reporting positions to avoid such disclosure, which may increase the tax payable by a Limited Partner.

U.S. federal income tax audits of partnerships will be conducted at the partnership level, and unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. Under the alternative procedure, if elected, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If the Partnership is able to and in fact elects the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge.

There can be no assurance that the Partnership will be eligible to make such an election or that it will, in fact, make such an election for any given adjustment. If the Partnership does not or is not able to make such an election, then (1) the then current Limited Partners, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had the Partnership elected the alternative procedure, and (2) a given Limited Partner may indirectly bear taxes attributable to income allocable to other Limited Partners or former Limited Partners, including taxes (as well as interest and penalties) with respect to periods prior to such Limited Partner's ownership of interests in the Partnership. Accordingly, it is possible that a Limited Partner will bear tax liabilities unrelated to its ownership of interests in the Partnership. Amounts available for distribution to the Limited Partners may be reduced as result of the Partnership's obligations to pay any taxes associated with an adjustment.

The partnership representative of the Partnership will be the only person with the authority to act on behalf of the Partnership with respect to audits and certain other tax matters and may decide not to elect (or may be unable to elect) the alternative procedure for any particular adjustment. In addition, the Partnership and each Limited Partner will be bound by the actions taken by the partnership representative on behalf of the Partnership during any audit or litigation proceeding concerning U.S. federal income taxes.

Non-U.S. Partners

U.S. Federal Income Tax Considerations for Non-U.S. Partners related to ownership of the Interests

In general, the tax treatment of a Limited Partner who or that is not a "United States person" (generally, a nonresident alien individual, foreign corporation, foreign partnership, foreign estate or foreign trust) (a "non-U.S. Partner") will depend on whether the Partnership is deemed to be engaged in a trade or business within the United States. To the extent that the Partnership is determined to be engaged in a United States trade or business, non-U.S. Partners generally will be: (i) considered to be engaged in the conduct of a trade or business in the United States; (ii) required to file U.S. federal income tax returns and be liable for U.S. federal income tax, and (iii) subject to U.S. federal income tax withholding. The Partnership should not be treated as engaged in a U.S. trade or business based on its anticipated activities.

Classification of Notes as Debt. As described above, the Partnership will hold debt securities (i.e., the Notes) issued by the Blocker. The Notes are intended to be treated as debt for U.S. federal income tax purposes. The determination of whether an instrument is classified as debt or equity for U.S. federal income tax purposes depends on all relevant facts and circumstances. There is no clear statutory definition of debt for U.S. federal income tax purposes. Rather, characterization of an instrument as debt or equity for U.S. federal income tax purposes is determined by principles developed in case law,

which analyze numerous factors, with no one factor being dispositive. The Partnership and Blocker intend to treat the Notes as debt for U.S. federal income tax purposes and to prepare any and all reports to the IRS on a basis that is consistent with such treatment. There can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that for U.S. federal income tax purposes the Notes should be characterized as equity of the Blocker.

If the Notes were treated as equity rather than debt for U.S. federal income tax purposes, payments of interest and principal on the Notes generally would be treated as distributions with respect to equity interests in the Blocker and non-U.S. Partners generally would be subject to U.S. federal withholding tax on their allocable share of amounts paid on the Notes to the extent of the Blocker's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes). Also, if a Note was treated as equity, distributions on the Note in excess of the issuing Blocker's earnings and profits would be treated as a return of capital to the extent of the Partnership's tax basis in the Note (and such Blocker may be required to withhold tax on such amounts when distributed to the Partnership), and thereafter, generally as capital gain that is subject to U.S. federal income and withholding tax as if such gain were ECI.

The remainder of this discussion assumes that the Notes will be characterized as indebtedness of the Blocker for U.S. federal income tax purposes. Each Limited Partner should consult his, her or its tax advisors concerning the U.S. federal income tax characterization of the Notes.

Interest on the Notes. The Partnership and Blocker intend to take the position that interest payments received by the Partnership from the Blocker on the Notes qualify for the portfolio interest exemption and thus are exempt from the 30% U.S. withholding tax that would normally apply to such payments. There can be no assurance, however, that the IRS will not challenge this position or that, if challenged, the position will be sustained by the courts.

Distributions by the Blocker. Non-U.S. Partners will be subject to U.S. federal withholding tax at a rate of 30% (unless reduced by applicable treaty) on their allocable share of distributions from the Blocker to the Partnership.

FIRPA. Under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("**FIRPTA**"), non-U.S. persons are taxed on the gain derived from the dispositions of United States real property interests and certain interests in entities owning such property. Under FIRPTA, non-U.S. investors treat gain or loss from dispositions of United States real property interests as if the gain or loss were "effectively connected" with a U.S. trade or business and, therefore, are required to pay U.S. taxes at regular U.S. rates on such gain or loss.

A "United States real property interest" generally means an ownership interest in real property located in the United States or the U.S. Virgin Islands, an ownership interest in certain partnerships that hold U.S. real property interests, or an ownership interest in a domestic corporation 50% or more of the assets of which consist of United States real property interests ("**USRPHCs**"). A United States real property interest generally does not include any interest in a corporation if as of the date of the disposition of such interest, such corporation did not hold any United States real property interests and, among other factors, such interests were disposed of in transactions in which the full amount of the gain (if any) was recognized. A debt obligation that is treated as an "interest solely as a creditor" is not considered a United States real property interest and therefore is not subject to the FIRPTA withholding regime.

Liquidation of the Blocker. Generally, amounts received by a person in a distribution in complete liquidation of a U.S. corporation is treated as in full payment in exchange for the stock of such corporation. Capital gain (resulting from such exchange) on liquidation of any such U.S. corporation following the sale of all of its assets in a taxable transaction would generally not be subject to U.S. federal withholding or income tax. It is intended that a Blocker will completely liquidate upon the sale of all of the Investments it holds (or successor investments), and the proceeds from such sale will be distributed to the Partnership after repayment of Note issued by such Blocker.

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code and the Regulations promulgated thereunder ("**FATCA**") impose a 30% withholding tax on certain "withholdable payments" received by foreign financial

institutions, their affiliates, and certain other foreign entities, unless the payee entity agrees to comply with certain due diligence, reporting, and related requirements. Persons located in a jurisdiction that has entered into an intergovernmental agreement with the U.S. governing FATCA (an "**IGA**") may be subject to different rules. Withholding under FATCA applies to certain payments of U.S. source income, such as interest and dividends paid on or after July 1, 2014 and, subject to the discussion of certain proposed Treasury Regulations below, gross proceeds from the sale or disposition of most U.S. securities. Accordingly, the Partnership may be required to withhold under FATCA on distributions or other payments to Limited Partners that fail to comply with the applicable requirements of FATCA or an applicable IGA or related legislation or to timely certify as to such compliance. Limited Partners will be required to timely furnish to the Partnership any information, certification, representation, form, or other documentation reasonably requested by the General Partner for the Partnership to fulfill his, her, or its obligations under FATCA, an applicable IGA, and any related legislation. A non-U.S. Partner will generally be required to provide to the Partnership a properly completed and duly executed applicable IRS Form W-8 (or applicable substitute form) together with any appropriate attachments. Any such information provided to the Partnership may be shared with the IRS. A Limited Partner that fails to provide such information to the Partnership or otherwise satisfy his, her, or its obligations under FATCA would be subject to the 30% withholding tax with respect to his, her, or its share of any payments attributable to actual and deemed U.S. investments of the Partnership. Limited Partners should consult their own tax advisors regarding the impact of FATCA and any applicable IGA and related legislation on their investments in the Partnership.

The U.S. Treasury has released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of U.S. securities. In its preamble to such proposed Treasury Regulations, the U.S. Treasury stated that taxpayers may generally rely on the proposed regulations until final regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their Investments.

Filing and Reporting Requirements.

A non-U.S. Partner will be deemed to have ECI if a Blocker makes distributions on its equity or the Partnership disposes of its equity in a Blocker while such Blocker is a USRPHC. In that case, a non-U.S. Partner will be required to file U.S. federal income tax returns reporting his, her or its allocable share of the Partnership's ECI even if the Partnership withholds U.S. federal taxes. In addition to filing an annual income tax return, non-U.S. Partners may be required to comply with certain reporting requirements under applicable Regulations. Non-U.S. Partners, who are citizens or residents of countries which have entered into tax treaties with the United States, and who can establish their residency by submitting certain documentation to the Partnership, may benefit from rules under the particular treaty which are more beneficial than those described above. Non-U.S. Partners should consult their tax advisors regarding the effects of tax treaties with respect to their particular situations.

THE FOREGOING IS A BRIEF SUMMARY OF CERTAIN MATERIAL INCOME TAX MATTERS WHICH ARE PERTINENT TO LIMITED PARTNERS WHO ARE TAX EXEMPTS OR NON-U.S. PARTNERS. THE SUMMARY IS NOT, AND IS NOT INTENDED TO BE, A COMPLETE DESCRIPTION OF ALL PROVISIONS OF U.S. FEDERAL INCOME TAX LAWS WHICH MAY HAVE AN EFFECT ON AN INVESTMENT IN THE PARTNERSHIP UNDER THE LIMITED PARTNERSHIP AGREEMENT. THIS DESCRIPTION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, LIMITED PARTNERS ARE URGED TO CONSULT THEIR OWN RESPECTIVE TAX ADVISORS REGARDING THEIR OWN RESPECTIVE TAX SITUATIONS AND THE EFFECTS OF AN INVESTMENT THEREON.

EMPLOYEE BENEFIT PLANS

General

Each prospective Limited Partner which is an employee benefit plan or trust within the meaning of, and subject to, the provisions of ERISA (an "**ERISA Plan**"), an Individual Retirement Account ("**IRA**"), a Keogh Plan or other plan should consider the matters described below in determining whether to invest in the Partnership.

ERISA Plan fiduciaries should give appropriate consideration to, among other things, the role that an investment in the Partnership plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, an examination of the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's objectives and the limited right of Limited Partners to withdraw all or any part of their Interests or to transfer their Interests.

ERISA Plans, IRAs, Keogh Plans and other plans should also consider the applicability to them of the provisions related to "unrelated business taxable income." See "INCOME TAX ASPECTS—Tax-Exempt Partners" above.

Regardless of whether the underlying assets of the Partnership are deemed plan assets under applicable regulations (which is discussed below), an investment in the Partnership by an ERISA Plan, IRA, Keogh Plan or other plan may be subject to ERISA, the Code and/or other applicable laws. The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained in this Memorandum is, of necessity, general and may be affected by future cases, regulations and rulings. Potential ERISA or similar investors should consult with and rely solely upon their own counsel as to the consequences under ERISA, the Code and other applicable laws of an investment in the Partnership.

Limitations on Investment by Benefit Plan Investors

If the aggregate investment by benefit plan investors ("**Benefit Plan Investors**") in each class of equity interests in the Partnership is less than 25%, equity participation by Benefit Plan Investors would not be considered "significant" under applicable U.S. Department of Labor regulations, and, as a result, the underlying assets of the Partnership would not be deemed to be plan assets for purposes of ERISA (the "**25% ERISA Test**"). The General Partner currently intends to monitor investments in the Partnership to determine the aggregate investment by Benefit Plan Investors (i.e., employee benefit plans subject to part 4 of Title I of ERISA, such as U.S. corporate pension plans, plans described in Section 4975(e)(1) of the Code, such as Keogh Plans or IRAs, and entities where twenty-five percent or more of the value of any class in which is held by Benefit Plan Investors but only to the extent thereof). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and the assets of any insurance company separate account or bank common or collective trust in which plans invest. Non-benefit plan investments, if any, by the Investment Manager and certain affiliates thereof are excluded in making this determination. If investments by Benefit Plan Investors in the Partnership exceed the 25% ERISA Test, the Investment Manager would be deemed to be a fiduciary with respect to the Partnership's assets. The Investment Manager may, in its sole discretion, decide to exceed the 25% ERISA Test at Partnership level and comply with the various applicable ERISA requirements.

Representations by Plans

The fiduciaries of each ERISA Plan, IRA and Keogh Plan proposing to invest in the Partnership will be required to represent that they have been informed of and understand the Partnership's investment objectives, policies and strategies, that it is permitted to invest in the Partnership under the applicable documents and that the investment is consistent with the applicable provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities.

ERISA Plans Having Prior Relationships with affiliates of the Investment Manager

Certain prospective ERISA Plan investors may currently maintain relationships with the Investment Manager or entities that are affiliated with the Investment Manager. Each of such entities may be deemed to be a party in interest to and/or a fiduciary of any ERISA Plan to which it provides investment management, investment advisory or other services. ERISA prohibits plan assets from being used for the benefit of a party in interest and also prohibits a plan fiduciary from using its position to cause the plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. In these circumstances, such ERISA Plan investors should consult with counsel to determine if the investment in the Partnership is a transaction prohibited by ERISA or the Code.

Reporting Requirements

ERISA Plans and other plans, such as IRAs or Keogh Plans, are required to determine the fair market value of their assets as of the close of each plan's fiscal year. To facilitate such determinations, and generally to enable fiduciaries of plans subject to annual reporting requirements under ERISA or the Code to file annual reports as they relate to an investment in the Partnership, investors will be furnished annually with audited financial statements as described in this Memorandum. There can be no assurance that (a) any value established on the basis of such statements could or will actually be realized by investors upon the Partnership's liquidation, (b) Limited Partners could realize such value if they were able to, and were to sell their Interests, or (c) such value will in all circumstances satisfy the applicable ERISA or Code reporting requirements. In addition, the fiduciaries of ERISA Plans investing in the Partnership are hereby notified that the information in this Memorandum in relation to: (i) the compensation received by the General Partner and the Investment Manager hereunder; (ii) the services provided by such parties for such compensation and the purpose for the payment of the compensation; (iii) a description of the formula used to calculate the compensation; and (iv) the identity of the parties paying and receiving the compensation, is intended to satisfy the alternative reporting option with respect to eligible indirect compensation that is reportable on Schedule C of Form 5500.

Other Plan Investors

Benefit plans maintained by governmental entities, churches and non-U.S. companies are not subject to Title I of ERISA or Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental, church and non-U.S. plans, in consultation with their advisors, should consider the requirements of all applicable laws and regulations specifically applicable to such governmental, church or non-U.S. plan with respect to investments in the Partnership, as well as the fiduciary considerations discussed above. The fiduciary of each prospective governmental, church or non-U.S. plan investor will be required to represent and warrant that the investment in the Partnership and the investment program described in this Memorandum is permissible, has been duly authorized, and complies in all respects with such applicable similar law and that the investment will not subject the Partnership's assets to any similar law.

BEFORE MAKING AN INVESTMENT IN THE PARTNERSHIP, A FIDUCIARY OF AN ERISA PLAN OR OTHER PLAN SHOULD CONSULT WITH, AND RELY SOLELY UPON, ITS LEGAL ADVISORS CONCERNING THE ERISA, TAX AND OTHER LEGAL CONSIDERATIONS OF SUCH AN INVESTMENT.

CAYMAN ISLANDS TAXATION

Taxation of the Partnership

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Partnership will be received free of all Cayman Islands taxes. The Partnership is registered as an "exempted limited partnership" pursuant to the Exempted Limited Partnership Act (Revised) of the Cayman Islands (the "**ELP Act**"). The Partnership has applied for and expects to receive an undertaking from the Financial Secretary of the Cayman Islands to the effect that, for a period of fifty years from the date of the undertaking (in respect of the Partnership), no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Partnership, or to the Limited Partners thereof, in respect of any such property or income. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Partnership.

Automatic Exchange of Information

The United States of America (U.S.) Foreign Account Tax Compliance Act ("**FATCA**") provisions enacted under the Hiring Incentives to Restore Employment Act, 2010, and regulations issued thereunder require foreign financial institutions ("**FFIs**") to agree inter alia (i) to report to the Internal Revenue Service of the U.S. ("**IRS**") certain taxpayer information (including name, address and taxpayer identification number and account details) regarding U.S. account holders (or in the case of account holders that are non-U.S. entities owned by U.S. owners, regarding those U.S. owners) and (ii) to impose U.S. withholding tax of 30 per cent (the "**Withholding Tax**") on certain payments made to a recalcitrant account holder or a non-participating FFI.

As part of the process of implementing FATCA, the U.S. government has negotiated intergovernmental agreements ("**IGAs**") with many foreign jurisdictions to make it easier for FFIs in those partner jurisdictions to comply with the provisions of FATCA. The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the U.S. (the "**U.S. IGA**") to give effect to the reporting rules. Broadly, FFIs in a jurisdiction with a Model 1 IGA in place will be able to report information on U.S. account holders directly to their national tax authorities, who in turn will on an automatic basis report to the IRS.

The Tax Information Authority Act (as amended) (the "**TIA Act**") is the primary Cayman Islands legislation dealing with the implementation of the U.S. IGA and detailed rules are contained in regulations made under the TIA Act. The Tax Information Authority (International Tax Compliance) (United States of America) Regulations (as amended) (the "**U.S. FATCA Regulations**") set out, among other things, (i) the general requirements for Cayman Islands Reporting Financial Institutions ("**Cayman Islands FIs**") to register under FATCA, (ii) the requirements of a Cayman Islands FI to identify reportable accounts, (iii) the reporting obligations of an Cayman Islands FI to the Cayman Islands Tax Information Authority ("**Cayman TIA**"), (iv) the procedures to be complied with by a Cayman Islands FI under the U.S. IGA, and (v) the offences for failing to comply with the reporting obligations set out in the U.S. IGA. As a Cayman Islands FI, the Partnership generally will be required to register with the IRS as soon as possible and to agree to identify relevant "Specified U.S. Persons" (being any U.S. Limited Partner and any non U.S. Limited Partner with U.S. owners). Provided that the Partnership complies with the U.S. IGA and the enabling legislation, it will not be subject to the related Withholding Tax. Limited Partners will generally be required to provide to the Partnership information that identifies their direct or indirect U.S. ownership. Any such information provided to the Partnership will be disclosed to the Cayman TIA which will in turn report the information to the IRS annually on an automatic basis unless it is otherwise exempt from the reporting and withholding rules.

The Standard for Automatic Exchange of Financial Account Information (commonly referred to as the "**Common Reporting Standard**" or "**CRS**") is a regime developed by the Organisation for Economic Co-operation and Development (OECD) to facilitate and standardize the exchange of information on residents' assets and income, primarily for taxation purposes, between numerous jurisdictions around the world (the "**participating foreign jurisdictions**"). The Cayman Islands has committed to the Convention on Mutual

Administrative Assistance in Tax Matters, which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On 29 October 2014, the Cayman Islands signed the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "**MCAA**"), which provides the legal basis by which participating foreign jurisdictions can agree to implement and exchange information under CRS. The Cayman Islands, together with over 60 other participating foreign jurisdictions, committed to implement CRS with effect from 1 January 2016 and more than 100 countries have since agreed to implement CRS.,As a result, the Partnership is required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the Cayman TIA, which will then exchange such information annually with foreign fiscal authorities in the participating foreign jurisdictions (the "**foreign fiscal authorities**"). The Cayman Islands has issued the Tax Information Authority (International Tax Compliance) (Common Reporting Standards) Regulations (as amended) (the "**Common Reporting Standard Regulations**"), which set out, among other things*:* (i) the requirements of a Cayman Islands FI to identify reportable accounts; (ii) the reporting obligations of a Cayman Islands FI to the Cayman TIA; (iii) the procedures to be complied with by a Cayman Islands FI under CRS; and (iv) general offences for breach.

In future, it is possible that IGAs similar to the U.S. IGA and the MCAA may be entered into with other countries or jurisdictions by the Cayman Islands Government to introduce similar regimes for reporting to other countries' or jurisdictions' fiscal authorities.

General Points

By investing (or continuing to invest) in the Partnership, Limited Partners shall be deemed to acknowledge and agree, and have given their consent to, the following:

(i) the Partnership (or its agent) disclosing to the Cayman TIA certain information in relation to the Limited Partner or, if the Limited Partner is an entity, its direct or indirect shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) (including, but not limited to, the name, address, jurisdiction of residence, date and place of birth, tax identification number (if any), social security number (if any) of the Limited Partner (or any of the persons specified above), as well as financial information, information regarding the Limited Partner's investment in the Partnership, and any information relating to any of the persons specified above);

(ii) the Cayman TIA automatically exchanging information as outlined above with the IRS and other foreign fiscal authorities;

(iii) the Partnership (or its agent) disclosing to the Cayman TIA, IRS and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Partnership (or its agent directly) assisting with further enquiries;

(iv) the Partnership requiring the Limited Partner to provide additional information and documentation which the Partnership is required to disclose to the Cayman TIA;

(v) in the event that a Limited Partner's failure to comply with any FATCA or CRS related reporting requirements results in any Withholding Tax or other withholdings, costs (including without limitation all costs, legal fees, professional fees and other costs), expenses, fines, interest, penalties, debts, losses or liabilities being incurred by the Partnership, the Investment Manager, the Administrator or any other agent, delegate, employee, director, officer or affiliate of any of the foregoing person related to FATCA or CRS (collectively, "**relevant liabilities**"), the Partnership reserves the right to ensure that the relevant liability is economically borne by such Limited Partner (including without limitation, by deducting such amounts from any account of, or distribution or other payment due to the Limited Partner);

(vi) in the event a Limited Partner does not provide the requested information or documentation and has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Partnership, or a risk of the Partnership's or its Limited Partners being subject to Withholding Taxes or other relevant liabilities as a result of FATCA or CRS, or otherwise results in withholding tax being imposed or any relevant liabilities being incurred, the Partnership reserves the right to take any action and/or pursue all remedies at its disposal (including, without limitation, the immediate compulsory withdrawal of the Limited Partner from the Partnership, the compulsory transfer, re-designation or conversion of the Limited Partner's Interests, the allocation of FATCA/CRS liabilities to the Limited Partner and the deduction of such allocations from any account of, or distribution or other payment due to, the Limited Partner);

(vii) no Limited Partner (to include a person who has ceased to be a Limited Partner) affected by any such action or remedy pursued by or on behalf of the Company in order to comply with FATCA or CRS, or mandatory tax information reporting requirements to which the Partnership is subject (or any relevant legislation, regulations or official guidance published in connection therewith) (together, the "**Reporting Requirements**") shall have any claim against the Partnership, the Administrator, the Investment Manager or any other agent, delegate, employee, director, officer or affiliate of any of the foregoing persons for any form of damages or liability as a result of such action or remedy and the Limited Partner shall be deemed to have consented to the taking of such action or the exercise of such remedy and to have waived any and all rights or claims in respect thereof, to the fullest extent permitted by applicable law; and

(viii) each Limited Partner (including without limitation any person who has ceased to be a Limited Partner) indemnifies the Partnership the Investment Manager, the Administrator, and their respective agents, delegates, employees, directors, officers or affiliates for any withholding(s) (to include U.S. withholding tax), and all other relevant liabilities incurred by the relevant person(s) for or arising out of or in connection with as a result of any failure (directly or indirectly, including by virtue of the status, action or inaction of any person related or connected to such Limited Partner, including without limitation the direct or indirect shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such Limited Partner) to comply in a timely manner with any Reporting Requirements, to the fullest extent permitted by applicable law.

This summary does not address all of the provisions of FATCA, the U.S. IGA, CRS, the MCAA, the TIA Act or other Reporting Requirements that might be applicable to the Partnership or a particular Limited Partner. Moreover, changes in applicable tax and regulatory laws after the date of this Memorandum may alter anticipated tax consequences or the matters referred to in this summary. None of the Partnership, the Investment Manager, the Administrator, or any of their respective officers, directors, delegates, employees, agents, accountants, counsel or consultants assumes any responsibility for the tax consequences to any Limited Partner of an investment in the Partnership.

Limited Partners should consult their own tax advisors regarding FATCA, CRS and any equivalent or similar regime or Reporting Requirements and the possible implications of such rules for their investments in the Partnership.

An investment in the Partnership could result in significant adverse tax consequences for Limited Partners, which are not discussed herein. Accordingly, prospective investors should not invest in the Partnership without first consulting their tax advisors.

CAYMAN ISLANDS PRIVATE FUNDS ACT

Private Funds Act Regulation – Cayman Islands

The Partnership will be required to register and be regulated as a private fund under the Private Funds Act (2021 Revision) (the "**Private Funds Act**") of the Cayman Islands.

Once registered, the Cayman Islands Monetary Authority (the "**Authority**") will have supervisory and enforcement powers to ensure the Partnership's compliance with the Private Funds Act. Regulation under the Private Funds Act will entail the filing of prescribed details and audited accounts annually with the Authority. As a regulated private fund, the Authority may at any time instruct the Partnership to have its accounts audited and to submit them to the Authority within such time as the Authority specifies or to provide a one-off or periodic report to the Authority on certain matters requested by the Authority in the connection with the private fund in such form and within such time as the Authority specifies. In addition, the Authority may ask the General Partner to give the Authority such documents, statements or other information in respect of the Partnership as the Authority may reasonably require to enable it to carry out its duty under the Private Funds Act.

However, as a regulated private fund, the Partnership will not be subject to supervision in respect of its investment activities or the constitution of its investment assets by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Partnership in certain circumstances.

The Authority may take certain actions if it is satisfied that a regulated private fund is, or is likely to, become unable to meet its obligations as they fall due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on, or is attempting to carry on, business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, inter alia, the power to require the substitution of the General Partner, to appoint a person to advise the Partnership on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Partnership. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

The costs of registration of the Partnership in the Cayman Islands and any costs, including legal costs and any registration or other fees payable to the Authority or any other governmental authority in the Cayman Islands, will be an expense of the Partnership.

Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

Private Funds Act – Ongoing Requirements

As a regulated private fund under the Private Funds Act, the Partnership will be required to maintain certain operating conditions in the conduct of its business. In furtherance thereof, the General Partner has appointed the Investment Manager to:

1. implement appropriate and consistent procedures for the purposes of proper valuations of the assets of the Partnership, as set forth in the valuation policy attached hereto as **Exhibit A**, which ensure valuations are conducted in accordance with the requirements of applicable law;

2. ensure that valuations of the assets of the Partnership are carried out at a frequency that is appropriate to the assets held by the Partnership and, in any case, on at least an annual basis.

3. hold custodial fund assets in custody for the account of the Partnership and to verify, based on information provided by or on behalf of the Partnership together with available external information,

that the Partnership holds title to the assets of the Partnership and maintain a record of the assets of the Partnership;

4. monitor the cash flows of the Partnership;

5. ensure that all cash of the Partnership has been booked in cash accounts opened in the name, or for the account, of the Partnership; and

6. ensure that all payments made by Limited Partners in respect of interests in the Partnership have been received.

Save as otherwise disclosed in this Memorandum, the General Partner has not identified any potential conflicts of interest by the performance of any of the above functions by the General Partner, the Investment Manager and/or their affiliates.

CAYMAN ISLANDS EXEMPTED LIMITED PARTNERSHIP ACT

The Partnership has been established and registered as a Cayman Islands exempted limited partnership under the ELP Act. A Cayman Islands exempted limited partnership is constituted by the signing of the relevant exempted limited partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of the exempted limited partnership (whether held in that partnership's name or by any one or more of its general partners) shall be held or deemed to be held by the general partner, and if more than one then by the general partners jointly upon trust, as an asset of the exempted limited partnership in accordance with the terms of the Partnership Agreement. Any debts or obligations incurred by the general partner in the conduct of the partnership's business are the debts and obligations of the exempted limited partnership. Registration under the ELP Act entails that a partnership becomes subject to, and the limited partners therein are afforded the limited liability (subject to the exempted limited partnership agreement) and other benefits of, the ELP Act.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the Partnership has insufficient assets. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as provided in its partnership agreement, (ii) if such limited partner becomes involved in the conduct of the partnership's business and holds itself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to the ELP Act to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of such insolvency at the time of such distribution.

CAYMAN ISLANDS DATA PROTECTION ACT

The Data Protection Act (2021 Revision) (the "**DPA**") came into effect in the Cayman Islands on 30 September 2019. As a result of investors providing certain personal data to the Partnership in connection with their investment, the Partnership will be characterized as a data controller for the purposes of the DPA. It will therefore be subject to the provisions of the DPA and the Partnership will be obliged to comply with (and ensure that those acting on its behalf shall comply with) the data protection principles set out in the DPA when processing personal data including collecting, processing or retaining personal data only for a specified lawful purpose.

"**Personal data**" constitutes any information relating to a living individual who can be identified. Any personal data provided by you through investing in the Partnership or interacting with the Partnership, its affiliates and/or service providers falls within the scope of the DPA. The Partnership may also collect or generate information in relation to your investment or from other sources. The Partnership, its affiliates

and/or service providers may process your personal data for any one or more purposes as set out in the Privacy Notice including, but not limited to, compliance with legal or regulatory obligations, communications with investors and third parties, the administration of investments and the fulfilment of contractual obligations.

The provision of certain personal data by potential investors is necessary for contractual and statutory purposes. Failure to provide such at the request of the Partnership may result in the Partnership being unable to process or manage your investment.

The Privacy Notice in the Subscription Document outlines the Partnership's data protection policies in more detail and sets out the key data protection principles embodied in the DPA, the types of personal data that may be processed, how personal data is used, the legal bases for processing personal data and when personal data may be disclosed to third parties. Circumstances in which personal data may be transferred out of the Cayman Islands are also identified, along with personal data security and retention principles, associated individual rights and contact details for the submission of further queries

ANTI-MONEY LAUNDERING REGULATIONS

Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering the Partnership is required to adopt and maintain anti-money laundering procedures, and may require prospective investors to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable) and source of funds. The General Partner is expected to rely upon the Administrator, or another suitable person, for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information).

The General Partner and/or the Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor (*i.e.*, a subscriber for or a transferee of Interests in the Partnership) and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the General Partner or the Administrator may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any proceeds in respect of, or any transfer of, an Interest in the Partnership.

In the event of delay or failure on the part of the prospective investor in producing any information required for verification purposes, the General Partner, or the Administrator on the General Partner's behalf, may refuse to accept the application, or if the application has already occurred, may suspend or withdraw the interest, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited.

The General Partner or the Administrator on the General Partner's behalf, also reserve the right to refuse to make any redemption or distribution payment to a holder of Interests if the General Partner or the Administrator suspect or are advised that the payment of redemption or distribution proceeds to such Interest holder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Partnership or the Administrator with any applicable laws or regulations.

The Authority has a discretionary power to impose substantial administrative fines upon the Partnership in connection with any breaches by the Partnership of prescribed provisions of the Anti-Money Laundering Regulations (2021 Revision) of the Cayman Islands, as amended and revised from time to time, and upon the General Partner and/or any director or officer of the General Partner who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Partnership, the Partnership will bear the costs of such fine and any associated proceedings.

If any person in the Cayman Islands and/or the Administrator knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("**FRA**"), pursuant to the Proceeds of Crime Act (2020 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA pursuant to the Terrorism Act (2018 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Investors may obtain details (including contact details) of the current Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the Partnership, by contacting the Investment Manager at: investors@leste.com.

Sanctions

The Partnership is subject to laws that restrict it from dealing with entities, individuals, organizations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Partnership will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorized persons ("**Related Persons**") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") or pursuant to European Union ("**EU**") and/or United Kingdom ("**UK**") Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument), (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "**Sanctions Subject**").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Partnership and/or the Administrator may be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber's Interest in the Partnership until the subscriber or its Related Person (as applicable) ceases to be a Sanctions Subject, or a license is obtained under applicable law to continue such dealings (a "**Sanctioned Persons Event**"). The Partnership, the Administrator and the Investment Manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

IN ADDITION, SHOULD ANY INVESTMENT MADE ON BEHALF OF THE PARTNERSHIP SUBSEQUENTLY BECOME SUBJECT TO APPLICABLE SANCTIONS, THE PARTNERSHIP MAY IMMEDIATELY AND WITHOUT NOTICE TO THE SUBSCRIBER CEASE ANY FURTHER DEALINGS WITH THAT INVESTMENT UNTIL THE APPLICABLE SANCTIONS ARE LIFTED OR A LICENSE IS OBTAINED UNDER APPLICABLE LAW TO CONTINUE SUCH DEALINGS.

CERTAIN RISK FACTORS

The purchase of Interests is speculative and involves a very high degree of risk. Before making an investment decision, each prospective purchaser is urged to carefully consider the risk factors discussed below, together with all the other information contained in this Memorandum, and to consult its own advisors. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our Partners, which could cause you to lose all or a significant part of your investment in the Partnership. In addition to the factors set forth elsewhere in this Memorandum, prospective purchasers should consider, among other things, the following:

General Risk Factors

The Interests Are a Speculative Investment

The Partnership's, the Blocker's and the Holdco's business objectives must be considered highly speculative, and the Partnership cannot assure investors that it will satisfy those objectives. The Partnership cannot assure that investors will not lose their entire investment. For this reason, each prospective investor should carefully read this Memorandum and should consult with their own legal, business and tax advisors prior to making an investment in the Interests.

Cayman Islands Regulatory Oversight

The Partnership will be required to register and be regulated as a private fund under the Private Funds Act of the Cayman Islands within twenty-one (21) days of accepting Capital Commitments and prior to receiving Capital Contributions. Once registered, the Cayman Islands Monetary Authority (the "**Authority**") will have supervisory and enforcement powers to ensure the Partnership's compliance with the Private Funds Act. The Authority may take certain actions if it is satisfied that a regulated private fund is, or is likely to become, unable to meet its obligations as they fall due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on, or is attempting to carry on, business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, inter alia, the power to require the substitution of the General Partner, to appoint a person to advise the Partnership on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Partnership. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

General Economic Conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility or illiquidity in the markets in which the Partnership directly or indirectly holds positions could impair the Partnership's ability to carry out its business and could cause it to incur losses.

Prior Investment Performance Not Indicative of Future Results

The prior investment performance of Leste or the investment professionals described in this Memorandum does not necessarily represent the prior performance of the investment strategy to be pursued by the Partnership and is not indicative of the future results of the Partnership. The Partnership intends to follow a different investment strategy or focus on different sub-sectors than the investment strategies and investment sectors previously pursued by these investment professionals, and there can be no assurance that the historical investment returns achieved by such persons will be achieved by the Partnership. While the Partnership intends to make investments (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) that Leste believes have projected returns commensurate with the risks undertaken, on any given investment, total loss of the investment is possible.

Long-Term Nature of Investment

An investment in the Partnership requires a long-term commitment, with no certainty of return. Because of the nature of the Partnership's contemplated investments (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) and investment strategy, there can be no assurance that the Partnership will be able to realize returns on such investments in a timely manner or at all. The return of capital and the realization of gains, if any, from a portfolio investment will likely not occur until a number of years after such investment is made, if at all. Although investments by the Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) may generate some current income, the return of capital and the realization of gains, if any, from an investment generally is expected to occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that such disposition will not occur for a number of years after the initial investment.

No Protection under the Investment Company Act

While the Partnership, the Blocker, the Holdco and the JV each may be considered similar to an investment company, none of them is required to register as an investment company and has not registered as such under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), or under the laws of any other country or jurisdiction. While Leste is a relying adviser of an investment adviser registered as such with the SEC under the Advisers Act, such registration does not mean that the SEC or any other regulatory authority has reviewed or endorsed this offering or will actively supervise the actions of Leste or the Partnership.

No Operating History

The Partnership, the Blocker, the Holdco and the JV are newly formed entities and have no operating history upon which investors can evaluate their likely performance. Although the investment professionals of the Investment Manager and its affiliates have prior experience, both together and separately, relating to the type of investments the Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) will pursue, the Partnership, the Blocker, the Holdco and the JV have a limited operating history upon which prospective investors may evaluate their likely performance. There can be no assurance that the Partnership, the Blocker, the Holdco or the JV will achieve their investment objectives. Further, prior performance is not indicative of future results.

No Assurance of Investment Return

There can be no assurance that the Partnership (through the Blocker and the Holdco) will be able to choose, make and/or realize any particular Investments. Further, there can be no assurance that the Partnership will be able to generate returns for investors or that the returns will be commensurate with the risks of investing in the types of Investments described herein or comparable to the Partnership's targeted returns. The marketability and value of any such Investment will depend upon many factors beyond the control of the Partnership. The expenses of the Partnership may exceed its income, and an investor could lose the entire amount of its contributed capital. Therefore, an investor should only invest in the Partnership if it can withstand a total loss of its investment. While the Investment Manager intends to make Investments that have projected returns commensurate with the risk undertaken, a total loss of the Investment is possible on any given investment.

Liquidity of Interests; Restrictions on Transfer

Each Limited Partner will be required to represent that the Interests are being acquired for investment and not with a view to distribution or resale, that such subscriber understands the Interests are not freely transferable and that such subscriber must bear the economic risk of the investment for the duration of the Partnership because the Interests: (i) have not been registered under the Securities Act or applicable state "Blue Sky" or securities laws; and (ii) cannot be sold unless they are subsequently registered or an exemption from such registration is available and such subscriber complies with the other applicable provisions of the Limited Partnership Agreement. There will be no market for the Interests and investors

cannot expect to be able to liquidate their investment in case of an emergency. Further, the sale of the Interests may have adverse federal income tax consequences. Please see *"Income Tax Considerations."* A Limited Partner will not be permitted to assign, sell, exchange or transfer any of its interests, rights or obligations with respect to its Interests without the prior written consent of the General Partner, which consent may be given or withheld in the sole and absolute discretion of the General Partner.

Drawdown Requests and Forfeitures

Capital Commitments will be drawn down by the Partnership pro rata from the Partners, as needed, upon at least ten (10) business days' prior written notice, to make investments, and pay liabilities and expenses of the Partnership.

In the event that any Limited Partner does not timely honor any drawdown request, the Limited Partnership Agreement provides that the General Partner has the right to take certain actions with respect to such Limited Partner and his, her or its Interests. Among other rights, the General Partner can force the forfeiture of such Limited Partner's entire interest in the Partnership and reallocate such interest to the remaining Partners pro rata based on their ownership interests in the Partnership. However, the enforceability of these provisions may be subject to successful challenge under applicable law; and, in any event, the failure of a significant percentage in interest of Limited Partners to timely honor their Capital Commitments duties could have a material adverse effect on the Partnership.

Risks of the Investment Structure—Failure to Close on One or More of the Assets

While the Partnership has identified the five (5) targeted Assets, as described in "*INVESTMENT OBJECTIVE AND PROGRAM – Investment Program*" above, that it is seeking to acquire (through the Blocker, the Holdco, the JV and the Propcos), it is possible that the Partnership will not be successful in closing on one or more of such Assets. The possible reasons for the failure to close on any targeted Asset are varied, and may not be within the Partnership's control. Subject to the conditions set forth in "*CERTAIN RISK FACTORS – General Risk Factors – Failure to Achieve the Target Aggregate Capital Raise*" below, if the Partnership is not able to close on one or more of the Assets, the Partnership will return to each Partner an amount which represents such Partner's pro rata share (based on the respective Capital Commitments of the Partners at such time) of the uninvested capital contributed to the Partnership.

Risks of the Investment Structure—Failure to Achieve the Target Aggregate Capital Raise

The Partnership and the Onshore Partnership may not receive sufficient capital to achieve the target aggregate capital raise, as described in "*SUMMARY OF THE OFFERING – Target Capital Raise*" above, whether through Interest sales or otherwise, to fully execute the investment program or otherwise acquire (through the Blocker, the Holdco, the JV and the Propcos) one or more of the Assets. If the Partnership is not able to close on one or more of the Assets, the Partnership, subject to the sole discretion of the General Partner, may (i) invest a lower proportional amount (through the Blocker, the Holdco, the JV and the Propcos) in each Asset or (ii) proceed with the closing without one or more of the Assets.

Risks of the Investment Structure—Joint Venture and Co-Investments

The JV is managed by the GVA Portfolio Manager and has been organized as a joint venture vehicle between the respective Holdco and GVA through which the Partnership (through the Blocker and indirectly, through the Holdco) and GVA will invest in and manage the respective Asset. For more information on the GVA Portfolio Manager, see "INFORMATION ON THE GVA PORTFOLIO MANAGER AND THE PORTFOLIO".

The General Partner has delegated to Leste the making and approval of investment decisions in respect of the Partnership on the terms of the Investment Management Agreement, including the operational management concerning the Assets and the relationships with tenants.

As the Holdco is managed by the Leste Holdco Manager and the JV is managed by the GVA Portfolio Manager, should the Leste Holdco Manager and the GVA Portfolio Manager disagree regarding whether to dispose of an Asset, and/or make distributions regarding an Asset or otherwise, this could impact the investment performance of the Asset and the ultimate investment returns to the Limited Partners.

Leste and its affiliates also act as investment manager and manager of Leste US Properties Limited and Leste Opportunity Holdco. Leste US Properties Limited is expected to co-invest approximately $250,000 in the aggregate alongside the Partnership and the Onshore Partnership in the Portfolio, with such co-investment anticipated to be made by way of investments by Leste US Properties Limited in the Blocker. Leste Opportunity Holdco is also expected to co-invest approximately $10 million in the aggregate alongside the Partnership and the Onshore Partnership in the Portfolio, with such co-investment anticipated to be made by way of investments by Leste Opportunity Holdco in the Holdco. Leste US Properties Limited and Leste Opportunity Holdco may have different investors, terms, investment and divestment periods, compared to the Partnership. In addition, Leste and its affiliates receive compensation such as management fees and other incentive compensation in connection with their activities related to Leste US Properties Limited and Leste Opportunity Holdco. As a result, the Investment Manager or an affiliate may have a conflict of interest in determining whether to hold or sell the Assets indirectly held by the Blocker and/or the Holdco, respectively, on behalf of the Partnership, if the conditions are not adequate to the Portfolio. Pursuant to a side letter or similar agreement with the Holdco and the Leste Holdco Manager, management fees and promote at the Holdco level may be reduced or waived with respect to Leste Opportunity Holdco to avoid the double payment of management fees and promote to Leste and its affiliates.

In addition, the Partnership, directly or through its investment in the Blocker, the Holdco and the JV, may invest through partnerships, limited liability companies, corporate, coownership, tenants-in-common or joint venture arrangements, with either third parties or with affiliates. Additionally, the Partnership may sell the rights to certain portions of the Partnership's investments or elect to participate through a joint venture. These joint ventures expose the Partnership to the many risks associated with the failure of a co-owner or co-venturer to perform its obligations as expected. In the event of the joint ventures listed above (i.e., the JV), it is possible that a co-owner or co-venturer (including GVA) could go bankrupt, have economic or other interests which are inconsistent with the Partnership's interest or be in a position to take action contrary to the Partnership's instructions or objectives (and give rise to possible greater litigation risk). Additional risks include that the co-venturer may default on its obligations necessitating that the Partnership perform and complete such co-venturer's obligations itself (including providing any necessary financing). Affiliates and/or third-party co-investment partners may seek short term financing to provide adequate cash reserves for operating activities. The Partnership may be impacted by affiliates' or third parties' cash reserves for operating activities. The Partnership may be impacted by affiliates' or third parties' success in obtaining short term financing. Further, a co-owner or co-venturer may have substantial management or approval rights which may inhibit the ability of the Partnership to take desired action. Such difficulties may increase the possibility of defaults arising under agreements binding the Partnership's investments (or any portion thereof). The Partnership cannot assure that any co-owners or co-venturers, including GVA, will properly perform their obligations with respect to the Partnership's Investments (or any portion thereof) or any indebtedness.

Limited Partners May Fail to Make Requested Capital Contributions

The General Partner, in its sole discretion, may request that Limited Partners make their initial capital contributions at the time of their admission to the Partnership or at a later date. Each Limited Partner will be required to make incremental contributions pursuant to capital calls issued by the General Partner from time to time. Limited Partners who fail to satisfy a capital call in a timely manner at any time during the term of the Partnership will generally be subject to significant penalties as described herein and in the Limited Partnership Agreement. Nevertheless, Limited Partners may default upon a capital call for a variety of reasons including their own insolvency, bankruptcy or subjective determination that a default is more attractive than compliance. Additionally, under certain circumstances, some Limited Partners may be excused from making a capital contribution under the terms of the Limited Partnership Agreement, the subscription agreement applicable to such Limited Partner, or applicable law. Any failure by any Limited

Partner to make timely capital contributions may impair the ability of the Partnership to pursue its investment objective, admit additional investors or cause other damage.

Investment Analysis

When assessing investment opportunities (including investment in the Portfolio), the Investment Manager and its affiliates rely on resources that may have limited or incomplete information. In particular, the Investment Manager relies on publicly available information and data filed with various government regulators. Although the Investment Manager expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, the Investment Manager and its affiliates will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by the Investment Manager and its affiliates will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities for the Holdco including investment in the Portfolio). Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Partnership.

Limited Partners may be Obligated to Return Distributions

The Partnership is a Cayman Islands exempted limited partnership. Under Cayman Islands law, the Partnership's Limited Partners will generally not incur personal liability for the liabilities and obligations of the Partnership in excess of their capital contributions. However, in some instances if the Partnership is unable to otherwise meet its obligations, Limited Partners may be required to repay to the Partnership or its creditors distributions previously received by Limited Partners to the extent such distributions are deemed to have been wrongfully paid to Limited Partners.

In addition, the General Partner is permitted to recall capital that has been distributed to Limited Partners, as provided under the Limited Partnership Agreement of the Partnership.

Effect of Fees and Expenses

The Partnership (and therefore the Limited Partners) will directly or indirectly pay the Management Fee and will bear certain other Operating Expenses as described in "*SUMMARY OF THE OFFERING*." Such fees and expenses will reduce actual returns to investors. Most of the fees and expenses will be paid regardless of whether the Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) produces positive investment returns. If the Partnership does not produce significant positive investment returns, these fees and expenses will reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount invested in the Partnership by such Limited Partner. In addition, as noted above, Limited Partners are subject to multiple levels of fees and expenses. See, "*Risk Factors - Substantial Charges to the Partnership; "Layering" of Fees and Expenses*."

Lack of Diversification

A decline in a particular real estate market associated with an Investment could substantially and adversely impact the Partnership.

The Portfolio is expected to consist of a limited number of Assets, likely only five (5). Thus, the Partnership's Investment portfolio is highly concentrated and limited in diversification with respect to types of Investments and geographic location. Such concentration of real property Investments may increase the risk of loss to the Partnership if a region suffers economic reversals or other material adverse conditions occur.

Furthermore, the Partnership is involved in only one industry, multi-family residential. Should the Portfolio perform poorly, this will indirectly adversely affect the Partnership's revenue and its ability to make distributions to Limited Partners and may cause the loss of investment.

Business and Regulatory Risks of Private Investment Funds

Legal, tax and regulatory changes could occur during the term of the Partnership that adversely affect the Partnership. The regulatory environment for private investment funds is evolving, and changes in the regulation of private capital pools may adversely affect the value of investments held by the Partnership and the ability of the Partnership to pursue its investment strategies or to obtain the leverage it might otherwise obtain. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on the Partnership could be substantial and adverse. Events during the past few years (including the bankruptcy, failure, improper practices and adverse financial results of certain financial institutions, trading firms and private investment funds) have led to increased governmental scrutiny of the private investment industry generally. Congressional and governmental agency inquiries have been conducted to ascertain the investor protection implications of the growth of private investment funds, and proposals have been made with regard to additional regulation of such funds, their operators and advisers and certain of their investment activities. The Partnership and its profit potential could be adversely impacted to the extent such proposals subject the Partnership to additional regulation or limit the investment strategies used by the Partnership.

Forward-Looking Statements; Opinions

Statements contained in this Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the General Partner, the Investment Manager and their affiliates. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this Memorandum constitutes "forward-looking statements," which generally can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "could," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "plan" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

Risks Associated with Investment Strategy

General Risks Involved with Real Estate

Development, repositioning, construction, acquisition and disposition of real estate involves numerous risks, including, cost overruns, delays in construction, regulatory delays, adverse changes in local economic conditions or the neighborhood in which the property is located, competition from other properties, population decreases, uninsured losses and mortgage foreclosures. The success of the Partnership is totally dependent on the ability of the Partnership (through the Blocker, the Holdco and the JV) to own, operate and ultimately sell such properties in a profitable manner. Thus, an investment in the Interests is subject to the risks attendant to real estate, including, by way of illustration, but not limitation, the following: the risk that the Partnership (through the Blocker, the Holdco and the JV) may have overpaid for one or more Investments and the risk that the Partnership (through the Blocker, the Holdco and the JV) may have underestimated the costs of operating and improving a property.

Local and General Economic Conditions

Each Investment by the Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) in real property will be subject to risks incident to real estate in general, including changes in general economic and local market conditions, such as adverse developments in employment, local economic performance and changes in supply of, or demand for, similar or competing properties or changes in taxes or governmental regulations. Changes in interest rates and the availability of mortgage funds may also render the purchases or sales of properties difficult or unattractive. For these and other reasons, no assurance can be given that the Investments can or will be acquired, operated or sold profitably.

Co-Investments by Leste US Properties Limited and Leste Opportunity Holdco

The Partnership is expected to indirectly co-invest with the Onshore Partnership, Leste US Properties Limited and Leste Opportunity Holdco in the Portfolio as described in "SUMMARY OF THE OFFERING – *Co-Investments by Leste US Properties Limited and Leste Opportunity Holdco*".

Expedited Investment Decisions

Investment analyses and decisions by the Investment Manager or its affiliates may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Manager at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may adversely affect an investment. In addition, the Investment Manager may rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants.

Risks Related to Sale and Operation of Properties

The Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) may be unable to sell all of the Assets or may only be able to sell some Assets after holding them for a much longer time than initially planned. Real estate and debt investments are relatively illiquid. Delays or difficulties in selling the Assets will reduce cash flow to the Partnership, reduce or prevent distributions to the Partners, and jeopardize the ability of the Partnership to pay its expenses, including debt service on mortgage loans that could result in a foreclosure or enforcement of other remedies by lending institutions.

Purchasers generally focus on the potential capitalization rate of a real property, which depends on internal factors such as the aggregate potential rental income from the real property, the likelihood that the local market will permit regular increases in rental rates, occupancy levels and operating history, as well as external factors such as the availability of competing investments and loan funds, interest rate changes, and overall market demand. Neither the Investment Manager nor its affiliates will have control over such external factors and may not be able to consistently maintain the internal factors at a level that will interest such purchasers. To the extent that the Partnership's real properties or the areas in which they are located are perceived to be transitional or undesirable, the interest of potential purchasers could be substantially decreased and the number of financial institutions willing to make mortgage loans to purchasers may be limited or nonexistent. Therefore, the Investment Manager or its affiliates may not be able to locate buyers for the Assets at the time and on the terms deemed desirable by the Investment Manager.

Investment in Real Estate

Rental income can be affected by general market conditions that increase the supply of competing real estate above demand or that affect the business and prosperity of tenants generally. In addition, individual major tenants might experience adversity. Although landlords generally have significant legal remedies available, tenant failures or defaults can interrupt rental income flows even in favorable market circumstances. Tenants can also create problems for landlords of commercial property by creating conditions of contamination, interfering with other tenants or by seeking the protection of the bankruptcy laws. All of these risks are inherent in the nature of this type of investment.

The operating results of the Partnership and the value of the Partnership's potential investments are vulnerable to the risks that population levels, economic conditions or employment conditions may decline in the surrounding geographic area resulting in decreased available income for prospective home owners or tenants to purchase or lease residences, respectively. The Partnership cannot assure that certain assumptions as to the future levels of demand for real estate or future costs of operating property will be accurate since such matters will depend on events and factors beyond the control of the Investment Manager. Such factors include: fees and availability of contractors for renovations; wages and availability

of contractor employees; costs and availability of lumber and other construction supplies; continued validity and enforceability of zoning, entitlement and competing properties near the residential property; adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions; supply and demand for homes such as the residential properties; competition from similar properties; interest rates; real estate tax rates, governmental rules, regulations and fiscal policies; the enactment of unfavorable real estate, local taxes, building fees, permit cost increases, environmental or zoning laws and hazardous material laws; and uninsured losses and effects of inflation and recession.

Multifamily Properties

The value and operation of multifamily properties may be affected by a number of factors, including, among others: (i) the location of the property; (ii) the services and amenities provided by the property and its age, condition, appearance, construction quality and other physical attributes; (iii) management's ability to provide adequate maintenance and insurance; (iv) access to transportation; (v) the level of mortgage interest rates, which may make the purchase of housing a more attractive alternative than leasing; (vi) the degree to which the tenant mix is dependent upon a particular segment or segments of the population (e.g., military personnel); (vii) the property's reliance upon governmental or rent subsidy programs; and (viii) state and local regulations that may affect the ability to increase rents.

Various laws and regulations regulate the relationship of a landlord and its tenants. These laws and regulations, to a greater or lesser extent, provide certain protections or rights for tenants or limit the landlord's ability to take action against a tenant in certain circumstances, including consumer protection statutes that prohibit certain landlord practices. These and other factors will affect the performance of the Portfolio and, ultimately, the performance of the Partnership.

Leasing Real Estate

The Partnership's Investments are, as appliable, subject to various risks related to leasing and tenants. The Partnership competes with other owners of real estate to lease space, and the occupancy and rental rates of its assets depend on leasing market activity. A tenant in one of the Assets may experience a decline in its business that weakens its financial condition and ability to make rental payments when due, or the tenant's financial results from the asset rented from the Partnership may decline such that the tenant has an incentive to terminate the lease. In some instances, the principal asset of a tenant is its improvements to the leased property, or the liability of the tenant may be contractually limited to its interest in such improvements. In those cases, the Partnership relies only on the tenant's equity interest in the improvements to secure the tenant's obligations under the lease. Tenants terminate leases, including before the term ends, for a variety of reasons. In addition, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection or termination of the tenant's lease or other adverse consequences to the landlord. A lessor be thwarted in attempts to enforce its rights as lessor and, even where the lessor is successful in enforcing its rights, the lessor may not be able to fully mitigate its losses or prevent future losses. After a lease has been terminated, the Partnership nonetheless bears its allocable portion of the fixed costs of ownership of the Asset, such as real estate taxes, maintenance and other operating expenses and, if applicable, interest and amortizations on any related financing. Property that has been vacated by a tenant may not be rent at the same rental rate (or at all), thereby reducing the operating income from the Asset, and the Partnership may need to make unexpected capital investments to lease the property again.

Lease Up; Occupancy Rate

There can be no assurance that the Assets will be substantially occupied at projected rents. Any projections for the Assets assume certain lease-up rates and rent levels, but there can be no assurance that any particular Asset will achieve or maintain the occupancy rates and rents anticipated. There can be no assurance that the leasing manager will be able to lease the units or maintain a specific level of occupancy. In addition, it may be necessary to make substantial concessions in terms of rent incentives to attract new tenants. If these concessions were to become necessary, or in fact were to increase, the financial performance of the Assets may be adversely affected. In addition, tenants and lease guarantors, if any,

may be unable to make their lease payments. Defaults by a significant number of tenants could, depending on the number of units affected and the ability to successfully find substitute tenants, have a material adverse effect on the financial performance of the Assets.

Dependence on Onsite Personnel

The financial performance of the Assets will be substantially dependent upon onsite personnel to maximize rental revenues, occupancy rates and customer satisfaction at the Assets. If an Asset's manager is unable to successfully recruit, train and retain qualified onsite personnel, the cash flows from the Asset may be reduced.

Borrowed Funds and Leverage

It is anticipated that the Partnership's Investments will be leveraged, in that the acquisition, development and ownership of Investments will be funded in part with borrowed funds at the level of the JV and/or the Propcos, which will be repaid out of the cash flow from the Investments. As a result of the use of leverage, a decrease in rental or other revenues from the Investments may materially and adversely affect cash available for distribution to the Partnership and its Limited Partners. No assurance can be given that cash flow will be sufficient to make payments on borrowed funds and to cover all operating expenses.

Should an Investment's revenues be insufficient to service its debt and pay taxes and other operating costs, the Propcos, the JV, the Holdco or the Partnership will be required to utilize working capital, seek additional funds or suffer a foreclosure. There can be no assurance that additional funds will be available, if needed, or if such funds are available, that they will be available on acceptable terms. Further, prospective investors should bear in mind that certain principal and interest payments due on borrowed funds will not be fully-funded when these obligations mature and that it may be necessary to sell or refinance the Investment prior to maturity in order to have sufficient funds to retire such indebtedness. The risk of loss in leveraged transactions is always greater than that in non-leveraged transactions because in the latter case no debt service payments are required to be made out of the cash flow of the Investment and there is not a risk of foreclosure. Foreclosure of any Investment could result in tax liability to the Limited Partners under circumstances in which the Limited Partners most probably would not receive cash distributions from the Partnership to pay such taxes.

Additionally, an adverse track record in one or two Investments could impair the Partnership's ability to deal effectively with other lenders (to obtain debt financing or negotiate debt service relief for other Investments).

Uninsured Losses

To the extent practical, the Partnership (through the Blocker, the Holdco, the JV and, as applicable, the Propcos) will seek to arrange for comprehensive insurance that is customarily obtained for similar, but not limited to, properties, including liability, fire and extended coverage, for its real property investments.

However, there are certain types of losses (generally of a catastrophic nature, such as earthquakes, floods, wars and acts of terrorism) that either are uninsurable or not economically insurable. In such instances the Partnership may not obtain insurance for those types of losses if the Investment Manager cannot secure an appropriate policy or believes that the cost is too high. Should such a disaster occur to or cause the destruction of any property, the Partnership could lose both its invested capital and anticipated profits from the specific real property Investment. Changes in the availability and cost of insurance may cause the Investment Manager to obtain different types or amounts of coverage for a property than the Investment Manager has obtained for similar real property investments in the past.

Development Risks

It is expected that the Investments will involve development activities, and the development of any property will be subject to various risks. Development requires various governmental approvals, which may include discretionary approvals such as a zone change or a use permit conditioned on satisfying various

requirements. Applying for such approvals can be a costly and time-consuming process, with no assurance that desired approvals will be obtained. Failure to obtain development approvals can have a significant adverse effect on the property.

If approvals are obtained, then development also involves risks of construction that are beyond the Partnership's control, such as labor actions, adverse weather, supply of materials and other contingencies, which could cause the cost of construction and/or the time required to complete construction to exceed the estimates. The ability of contractors to perform in a timely and cost-efficient manner is subject to a number of variables. These variables, which may change over the course of construction, include (i) the financial condition of the contractors, (ii) other projects being developed that could take priority over the Partnership's projects, (iii) the contractors' relationship and payment record with their subcontractors, (iv) their ability to procure and stay in compliance with the terms of construction financing, and (v) the cost and availability of labor and materials, as well as weather conditions in the areas where the projects are located.

If any project requires construction financing, then such financing will generally be made available by the construction lenders upon compliance with the terms of the applicable construction loan documents and there can be no assurance that all terms will be met. There is no assurance that all of the conditions to advances under the construction loans will be satisfied or that sufficient funds will be made available to complete construction of any of the projects.

Although periodic inspections of the projects may be made at various stages of construction, there can be no assurance that construction will be completed in accordance with the terms of any construction or other agreements. Failure to complete construction in accordance with such terms and in a timely fashion could result in default under the applicable construction loan and the foreclosure by the construction lender of its lien against the applicable project. In such event, the Partnership could lose its progress payments or other advances previously made to any contractors and might not be able to acquire or retain ownership of the applicable project. There is also a risk that various subcontractors and suppliers could assert claims against the Partnership related to non-payment for work performed or materials supplied with respect to the development of any project. Because of these and other risks and contingencies, the ability to successfully complete the development or construction of any property will be uncertain and subject to risk.

Hazardous Waste and Other Environmental Matters

Under current law, owners of real property may be liable for cleanup costs or for damages caused by hazardous waste, toxic substances or other environmental problems associated with a property. Such responsibility may exist even if hazardous waste or toxic substances were present on the property prior to the property being acquired by the Partnership. The Partnership likely will obtain a Phase I environmental site assessment prior to purchasing any building or tract of land. Because the cost of obtaining a comprehensive environmental assessment could be cost prohibitive, the Investment Manager may obtain a less extensive environmental report.

Although the Investment Manager does not expect that the Partnership properties are likely to have problems associated with hazardous wastes or toxic substances, it is possible that prior owners of the properties or nearby properties may have created conditions that could cause the Partnership to incur liability for cleanup costs or property or bodily injury damages. Because many insurance policies exclude coverage for environmental hazards, it is possible that any such liability incurred by the Partnership will not be covered by its insurance and would have to be paid from the assets of the Partnership. In such event, the Partnership may be required to sell other properties in order to pay such amounts. It is likely that the Partnership would be unable to sell any property that is subject to environmental problems until such problems have been resolved, which could further adversely affect the financial condition of the Partnership.

In addition, because of their age, many properties may include insulation or fire-retardant materials that contain asbestos and lead paint. In such event, the Investment Manager may decide to proceed with the purchase, but expect to consult with asbestos control and other removal experts as to the most desirable manner of controlling or removing such materials. The Investment Manager will attempt to determine if there are any asbestos-containing materials or lead paint in a property prior to purchase; in some instances,

however, asbestos-containing materials may not be discovered until after a property is already owned by the Partnership. The additional costs of controlling or removing such asbestos-containing material and lead paint will adversely affect the profitability of a property and may delay or prevent the sale of that property.

Americans with Disabilities Act.

Under the Americans with Disabilities Act of 1990 (the "**ADA**"), all public accommodations must meet federal requirements related to access and use by disabled persons. Leste cannot predict the ultimate amount of the cost of compliance with the ADA or other legislation. If the Portfolio incurs substantial costs to comply with the ADA and any other similar laws, the Partnership could be materially and adversely affected.

Real Estate Private Equity Investments

Real estate private equity investments involve a high degree of financial risk. There can be no assurance that Investments by the Partnership will be profitable or that substantial losses will not occur. There can be no assurance that the Partnership 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 Partnership will be realized or that there will be any return of capital to the Limited Partners.

Fraud Risks

Of paramount concern in purchasing loans and other assets is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or other asset, or may adversely affect the ability of the lender of record to perfect or effectuate a lien on the collateral securing the loan or other assets. The Partnership relies upon the accuracy and completeness of representations made by companies in which the Partnership invests or other counterparties to the extent reasonable, but cannot guarantee that such representations are accurate or complete. Under certain circumstances, payments to the Partnership may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

Changes in Law

The Partnership and its affiliates are subject to regulation by the laws of the Cayman Islands. The Blocker, the Holdco and the JV are subject to regulation by U.S. laws at the local, state, federal and international levels. These laws and regulations, as well as their interpretation, may be changed from time to time. Accordingly, any change in these laws or regulations, or their interpretation or any failure by the Partnership or its affiliates to comply with these laws or regulations may adversely affect the Partnership's business.

Management Risks

Management of the Partnership

The responsibility for the management and conduct of the business affairs of the Partnership is vested solely in the General Partner. No Limited Partner in its capacity as such will have the right to participate in the management of the Partnership. Accordingly, no person should purchase the Interests unless that person is willing to entrust all aspects of management of the Partnership to the General Partner. Potential purchasers must carefully evaluate the experience and business performance of the General Partner and the management team. The loss of one or more individuals employed by the General Partner, or if key individuals no longer serve in their current capacity, could have an adverse effect on the performance of the Partnership. Further, the Partnership does not maintain key person life insurance as of the date of this Memorandum.

Dependence upon Key Management

The success of the Partnership is dependent upon the continued personal efforts of the key personnel associated with the General Partner, Leste, the GVA Portfolio Manager and their respective affiliates. The loss of any such individual could have a material adverse effect on the Partnership. There is ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers, real estate investment companies, real estate investment trusts and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that the key personnel will not be solicited by and join competitors or other firms and/or that General Partner, Leste, the GVA Portfolio Manager or their respective affiliates will be able to hire and retain any new personnel that it seeks to maintain or add to its roster of investment professionals.

Dependence on Service Providers

The Partnership is also dependent upon its counterparties and the businesses that are not controlled by the Investment Manager that provide services to the Partnership (the "**Service Providers**"). Examples of Service Providers include the administrator, prime brokers, custodian, legal counsel (U.S. and Cayman Islands) and the auditors. Errors are inherent in the business and operations of any business, and although the Investment Manager will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Partnership and the underlying investors therein.

Exculpation and Indemnification

Certain exculpation and indemnification provisions contained in the Investment Management Agreement and the Limited Partnership Agreement may limit the rights of action otherwise available to investors and other parties against the General Partner, Leste, the Administrator and their affiliates and their respective members, partners, officers, directors, shareholders, members agents, employees and other related parties (each, an "**Indemnified Party**"), absent such a limitation in the Investment Management Agreement or the Limited Partnership Agreement. In addition, the Partnership will be obligated to indemnify the Indemnified Parties in respect of the operations of the Partnership, subject to certain limited exceptions generally involving actual fraud, gross negligence (as determined under the laws of the State of Delaware) or willful misconduct. The obligation to fund any indemnification will survive the dissolution of the Partnership or an investor's withdrawal of Interests.

Partnership Risks

Incentive Allocation

The Interests are subject to the promote as described herein. The promote is variable and cannot be determined in advance. Depending upon each Blocker's, each Holdco's and each JV's rate of return, the amount of the promote may be materially greater than would a more customary fixed fee paid to an investment manager for managing a comparable amount of assets, and may provide an incentive to the Investment Manager and its affiliates to make investments in a more speculative manner in an effort to maximize the Partnership's rate of return.

In-Kind Distributions

Although the Investment Manager expects the Partnership, the Blocker, the Holdco and the JV to realize all of the Investments prior to the winding-up of the Partnership and the General Partner expects to distribute only cash to the Limited Partners, there can be no assurance that the Investment Manager and the General Partner will meet these objectives. If at the end of the Partnership's term the Blocker, the Holdco or the JV would only be able to realize the investments at prices which the Investment Manager believes do not reflect the true value of such Investments and which would adversely affect the Limited Partners, Limited Partners may receive in-kind distributions, if permitted by law or by contract, which in-kind distributions may include equity interests in subsidiaries of the Partnership, interests in special purpose vehicles or liquidating trusts holding assets owned by the Partnership. Such Investments, which will be selected by the Investment

Manager or its affiliates in their sole discretion, need not represent a pro rata portion of each position held by the Partnership, may not be readily marketable or saleable and may need to be held by Limited Partners or the Partnership in trust for Limited Partners, for an indefinite period of time. A prior or contemporaneous in-kind distribution will not affect the Partnership's right to distribute cash (or vice versa).

For the purpose of determining the value to be ascribed to any assets used for an in-kind distribution, the value ascribed to such assets will be the value of such assets on the relevant distribution date. The risk of a decline in the value of such assets in the period from the relevant distribution date to the date upon which such assets are distributed to the withdrawing Limited Partner, and the risk of any loss or delay in liquidating such assets, will be borne by the withdrawing Limited Partner.

Certain Investors

Certain prospective Limited Partners may be subject to laws, rules and regulations which may regulate their participation in the Partnership, or their engaging directly, or indirectly through an investment in the Partnership, in investment strategies of the types which the Partnership may utilize from time to time (e.g., the use of leverage). Prospective Limited Partners should consult with their own advisers as to the advisability and tax consequences of an investment in the Partnership. Investment in the Partnership by entities subject to ERISA and other U.S. tax-exempt entities requires special consideration. Trustees or administrators of such entities are urged to carefully review the matters discussed in this Memorandum.

Need for Significant Capital

The Partnership's investment in the Investments and its operations may require more capital than initially anticipated. There can be no assurance that such capital will be available to the Partnership. Failure of the Partnership to raise the necessary capital to fund its operations, capital expenditures or other activities may require, among other things, the sale or liquidation of some or all of the Assets of the Partnership at a loss or reduced valuation from the price paid by the Partnership.

Certain Potential Liabilities Related to Disposition of the Investments

In connection with the disposition of investments, the Partnership may be required to make representations about, and warranties concerning, its business and financial affairs, or be responsible for the content of disclosure documents under applicable securities laws. It may also be required to give indemnities to the purchasers of an investment or underwriters. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors to the extent that the investors have previously received distributions from the Partnership.

Possibility of Future Terrorist Activity, War or Other Catastrophic Events

The Investments or the areas in which they are located could be subject to future acts of terrorism or be subject to other events beyond the Investment Manager and its affiliates' control, such as acts of war, geopolitical turmoil, natural disasters, epidemics, power failures and telecommunications loss. Such events may cause severe destruction or interruption to the Partnership's investments and operations. In addition to the potential direct impact of any such future event, such events and the anticipation thereof could have an adverse impact on the international financial markets and economy, thus harming the value of the Partnership's investments. It is not possible to predict the severity of the effect that such future events would have on the international financial markets and economy or the Partnership's assets. These events may have a negative effect on the business and performance results of one or more of the Partnership's investments or subsequently acquired investments.

Force Majeure Risk

Companies or assets may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism and

labor strikes). Some force majeure events may adversely affect the ability of a party (including a company or a counterparty to the Partnership or a company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a company or the Partnership of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to the Partnership, including if its investment in such company or asset is canceled, unwound or acquired (which could be without what the Partnership considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Partnership and its investments.

Coronavirus and Global Health Events

Epidemics, pandemics and other widespread public health problems could adversely affect the Partnership's performance. For example, in late 2019, a novel virus started causing a disease ("COVID-19") with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. What began as a local outbreak in Wuhan, China, spread globally over the course of weeks, stressing advanced healthcare systems of Western countries and resulting in financial disruptions of an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the outbreak can be characterized as a pandemic. Many countries have been imposing increasingly stringent restrictions on travel and strict measures of social distancing.

As the potential impact on global markets from COVID-19, or future epidemics, pandemics or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect the Partnership's performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to this pandemic are expected to result in indeterminate periods of decreased economic activity throughout the U.S., the Cayman Islands and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak, are expected to cause uncertainty in the markets and businesses and are generally expected to adversely affect the performance of the U.S., the Cayman Islands and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, it is possible that governmental fiscal and economic measures will lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S., the Cayman Islands and the global economy.

The impact that pandemics and other public health events will have on the performance of the Partnership in particular is uncertain, and it will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond the Partnership's control.

No Representation

DLA Piper LLP (US) ("**DLA Piper**") acts as United States legal counsel to the Partnership, the General Partner, the Investment Manager and their affiliates. Conyers Dill & Pearman LLP ("**Conyers**") acts as Cayman Islands legal counsel to the Partnership, the General Partner, the Investment Manager and their affiliates. The Partnership does not have legal counsel separate and independent from legal counsel to the Investment Manager and the General Partner. Neither DLA Piper nor Conyers represent Limited Partners of the Partnership, and no independent counsel has been retained to represent Limited Partners of the Partnership.

DLA Piper's and Conyer's representation of the Partnership, the General Partner, the Investment Manager and their respective affiliates is limited to specific matters as to which they have been consulted by the

Investment Manager, the General Partner and their respective principals. There may exist other matters that could have a bearing on the Partnership, the General Partner, the Investment Manager and their respective affiliates as to which neither DLA Piper nor Conyers has been consulted. In addition, neither DLA Piper nor Conyers undertake (nor intend to undertake) to monitor the compliance of the General Partner, the Investment Manager and their respective affiliates with the investment program, valuation procedures and other guidelines set forth in this Memorandum, and do not monitor compliance with applicable laws. In preparing this Memorandum, DLA Piper and Conyers have relied upon information furnished to it by the Investment Manager, the General Partner and their respective principals, and did not investigate or verify the accuracy and completeness of information set forth herein concerning the Partnership, the General Partner, the Investment Manager and their respective affiliates and personnel.

FATCA and Similar Laws

Sections 1471–1474 of the Code, and guidance issued thereunder ("**FATCA**") impose a thirty percent (30%) withholding tax on certain payments of U.S. source income to "foreign financial institutions" ("**FFIs**"). An FFI will not be subject to withholding tax under FATCA if it registers with the Internal Revenue Service (the "**IRS**"), obtains a global intermediary identification number (a "**GIIN**") and complies with certain information reporting and diligence requirements. Laws similar to FATCA in other jurisdictions have been enacted, and more may be enacted, which may present similar requirements and risks.

The Partnership intends to comply with FATCA and any other similar laws, as applicable. However, it is possible that the Partnership may invest in non-U.S. entities that it does not control and no assurance can be given that each such entity will be able to satisfy its obligations under FATCA (or such other laws) to avoid withholding and to comply with such laws.

Limited Partners may be required to provide certain information to the Partnership so that the Partnership may comply with its obligations under FATCA and similar laws in other jurisdictions

Debt Reclassification Risk

The structure of the Partnership and return projections for the Limited Partners are based on the assumption that the debt issued by the Blocker to the Partnership will be respected as such. There is a risk, however, that the IRS could successfully reclassify the debt as equity. Such a reclassification would cause interest payments to be classified as dividends to the extent of the current and accumulated earnings and profits of the Blocker which would be subject to U.S. federal withholding tax at a rate of 30% of the gross payment. In addition, interest deductions associated with the debt would be denied, potentially increasing the income tax liability of the Blocker.

Change in Tax Law

The current U.S. administration and certain members of the U.S. Congress have stated that one of their top legislative priorities is significant reform of the Code. Proposals by members of Congress have included, among other things, changes to U.S. federal tax rates and the portfolio interest exemption. There is substantial uncertainty regarding both the timing and what will ultimately be included in any such tax reform. The impact of any potential tax reform on the Interests is uncertain and could be adverse. Prospective investors should consult their own tax advisors regarding potential changes in U.S. tax laws.

Business and Regulatory Risks

Legal, tax and regulatory changes pursuant to recent legislation could occur during the term of the Partnership that may adversely affect the Partnership or the Investment Manager and its affiliates. The regulatory environment that the Partnership will operate in is evolving, and changes in regulations may, for example, adversely affect the value of the investments and the ability of the Partnership to pursue its investment strategy. Certain federal and other regulatory bodies or agencies in the U.S., the Cayman Islands, or in other jurisdictions may require the Partnership or the Investment Manager to obtain licenses or similar authorizations to engage in various types of investment activities. It may take a significant amount

of time to obtain such licenses or authorizations. Such licenses may require the disclosure of confidential information regarding the Partnership and the Investment Manager, including financial information, and the Partnership may or may not be willing or able to comply with these requirements. In addition, there can be no assurance that any such licenses or authorizations would be granted or, if so, whether any such licenses or authorizations would impose restrictions on the Partnership. The inability of the Partnership or the Investment Manager to obtain such licenses or authorizations could adversely affect the Investment Manager's ability to implement the strategy for the Partnership and the Partnership's results.

In addition, regulatory changes may impose administrative burdens on the Investment Manager, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

The foregoing list of risk scenarios and risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Partnership. Prospective investors should read this entire list of risk factors and consult with their own professional advisers before deciding whether to invest in the Partnership. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. In addition, as the Partnership's investment program develops and changes over time, an investment in the Partnership may be subject to additional and different risk factors.

EXHIBIT A

Valuation Policy

VALUATION

The Partnership's net asset value will be determined at least ~~annually~~monthly, or such other times as required by the Limited Partnership Agreement or in good faith determined by the Investment Manager under the supervision of the General Partner or as otherwise appropriate based on the valuation tools available to the Investment Manager and the General Partner.

The following general guidelines apply to the determination of the Partnership's net asset value:

1. The fair value of the Partnership will be determined taking into account all valuation information and factors considered relevant by the Investment Manager in its discretion (it being understood that such determinations may be based on internal valuation methods), including, without limitation, the type of asset, marketability, liquidity, restrictions on disposition, recent purchases of the same or similar securities by other investors, pending mergers or acquisitions, current and projected financial position and operating results, and risks and potential of the security.

2. The Investment Manager will determine which accounting principles will apply to the calculation of the Partnership's fair value. To the extent that the Investment Manager has not determined otherwise, or to the extent feasible, expenses, fees and other liabilities will be accrued in accordance with the US Generally Accepted Accounting Principles (GAAP). Reserves (whether or not in accordance with GAAP) may be established for estimated or accrued expenses, liabilities or contingencies.

3. In the event that the Investment Manager determines that the valuation of any investments or other property as set forth in its valuation policies or in the Limited Partnership Agreement does not fairly represent market value, the Investment Manager (or any duly authorized agent, including the Administrator) may value such investments or other property as it reasonably determines and will set forth the basis of such valuation in writing in the Partnership's records.

In connection with the determination of the value of the Partnership's assets or any investment the Investment Manager or the General Partner may consult with and is entitled to rely upon the advice of third parties. In particular, the Investment Manager may request that the Partnership's Auditors review the methodology of valuation adopted by the Partnership at such times as may, in the view of the Investment Manager, be appropriate and the Investment Manager may, following such review, adopt such other basis for valuation as the Auditors may recommend. The Investment Manager may make such modifications to the means of calculating fair value as it may from time to time consider reasonable to ensure that such changes accord with good accounting practice

Further, in performing the valuation, the Investment Manager, the General Partner and any of their officers, directors, agents, employees or affiliates shall be entitled to rely on unaudited valuations and reports received from third parties; shall not be responsible for verifying either the contents or veracity of such valuations and reports; and in no event shall incur any liability or responsibility for any determination made or other action taken or omitted by them in reliance on such reports.

In case valuation is determined by the Investment Manager or the General Partner without any third party advice, both Investment Manager and General Partner must confirm by their risk department that such valuation is accurate.

All valuations will be binding on all persons, and in no event will the Investment Manager, the General Partner, any of their officers, directors, agents, employees or affiliates incur any liability or responsibility for

any determination made or other action taken or omitted by them in the absence of manifest error or bad faith.

Prospective investors should be aware that situations involving uncertainties as to the valuation of positions could have an adverse effect on the Partnership's net assets if the Investment Manager's and/or General Partner’s judgments regarding appropriate valuations should prove incorrect.