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This brochure provides information about the qualifications and business practices of Niam AB (“Niam”). If you have any questions about the contents of this brochure, please contact us at +011 08 51 75 85 00. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any other securities authority.

Additional information about Niam also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

April 1, 2013

### ***Material Changes***

The purpose of this section is to provide clients with a summary of the material changes that have been made to this Brochure since the filing of the previous annual update.

The material changes that we have made to this Brochure since the filing of the previous annual update on February 14, 2012 are:

- (1) Under the section entitled “Performance-Based Fees and Side-By-Side Management” disclosure was added regarding Niam’s conflict resolution policy, particularly with regard to the allocation of investment opportunities among the Funds;
- (2) Under the section entitled “Other Financial Industry Activities and Affiliations” disclosure was added regarding Niam A/S and Niam OY, which are real estate brokers that are related persons of the Adviser, and potential conflicts of interests involving these real estate brokers; and
- (3) Under the section entitled “Other Financial Industry Activities and Affiliations” disclosure was added regarding JM AB, a company on which Niam’s CEO serves on the board, and potential conflicts of interest involving this company.

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## **Advisory Business**

### History and Ownership

Niam was incorporated in Sweden in 1998. Niam is wholly-owned by Stronghold Invest AB, of which Urban Edenstrom is a controlling owner. Niam is registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The term “registered” does not imply a certain level of skill or training.

### Privately Offered Real Estate Investment Partnerships

Niam currently provides investment advisory services to privately-offered real estate investment vehicles (the “Funds”), including (1) Niam Nordic Investment Fund III, L.P., an English limited partnership ; (2) Niam Nordic Fund IV, L.P., an English limited partnership; (3) Niam Nordic Fund V, L.P., an English limited partnership and (4) Niam Nordic Core-Plus, a Luxembourg mutual fund – specialised investment fund. Each Fund’s general partner or management company (each a “Manager”) is an advisory affiliate of Niam. References in this disclosure document to Niam also include one or more of the Managers, as applicable.

The Funds primarily invest through wholly-owned entities in real estate and real estate-related opportunities. Niam Nordic Investment Fund III, L.P. and Niam Nordic Fund V, L.P. also have investments in real estate joint ventures, and, therefore, could potentially fall within the definition of investment companies under the Investment Company Act of 1940, as amended (the “Investment Company Act”). To the extent necessary, Niam Nordic Investment Fund III, L.P. and Niam Nordic Fund V, L.P. rely upon available exemptions from registration as an investment company under the Investment Company Act; provided however, only the Niam Nordic Investment Fund III, L.P. relies upon an available exemption from registration as an investment company under the Investment Company Act.

### Other Investments

The Funds may also invest in real estate joint ventures, securities for hedging purposes and make other investments, as more fully described in each Fund’s governing documents.

### Discretionary Services

All of Niam’s investment advisory services are provided on a discretionary basis. As of December 31, 2012, Niam had approximately \$2,823,038,000 in assets under management.

## **Fees and Compensation**

The Funds pay Niam fees for providing them with investment advisory services. Niam generally charges the Funds an annual investment management fee, payable quarterly in advance, up to 1.5% of aggregate limited partner capital commitments, which, over time, is typically reduced to up to 1.5% of invested capital. The specific fees charged to each Fund are more fully described in each Fund's governing documents. For example, some Funds may also charge one-time management fees associated with the investments made by the Fund. Niam generally determines the amount and payment terms for a Fund's fees when each Fund is formed. Any fees paid to Niam are exclusive of profits distributions paid to certain affiliates of Niam and fees paid by a Fund to the custodian, broker, administrator and other service providers of the Fund.

In the event of a termination of the investment management agreement relating to a Fund, Niam will have the right to all fees accrued up to the date of termination. Any paid but unaccrued fees will be promptly refunded to the Fund.

Notwithstanding the foregoing, Niam may negotiate or set a management fee different from the foregoing with respect to any Fund it manages or any investor in such Fund.

Additional information related to the foregoing is set forth below under "*Performance-Based Fees and Side-By-Side Management*" and "*Brokerage Practices*".

## **Performance-Based Fees and Side-By-Side Management**

Niam does not have any performance-based fee arrangements with the Funds. However, related persons of Niam generally receive a profits distribution equal to 20% of the net profits earned from each investor in a Fund that exceed the preferred return set forth in each Fund's governing documents. While the Funds have long-term investment strategies, and offer investors preferred returns, potential investors should note that a carried interest arrangement may nonetheless create a potential conflict of interest and provide an incentive for Niam to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement.

Notwithstanding the foregoing, Niam or its affiliates may negotiate or set carried interest or other terms different from the foregoing with respect to any Fund Niam manages or any investor in such Fund.

Niam may provide investment advisory services to more than one Fund at a time. These Funds generally will have different return targets. While Niam believes that it is highly unlikely, it is possible that a particular investment may be suitable for more than one Fund. To mitigate this potential conflict of interest, Niam has adopted a conflict resolution policy to help ensure that investment opportunities are allocated fairly among the Funds over time.

## **Types of Clients**

Niam's only current clients are the Funds. Investors in the Funds are generally accredited investors and qualified purchasers, which may include sovereign wealth funds, endowments, foundations, high net worth individuals, pension and profit sharing plans, and other institutional investors. The minimum investment commitment required of an investor in a Fund is generally €10,000,000, although Niam retains the discretion to waive or reduce any minimum investment requirement.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### Method of Analysis and Investment Strategies

The Funds generally invest in commercial and residential properties with the objective of providing investors with income and capital growth. Niam Nordic Investment Fund III, L.P., Niam Nordic Fund IV, L.P. and Niam Nordic Fund V, L.P. generally will only invest in properties located in Norway, Sweden, Finland, Denmark, Estonia, Latvia and Lithuania (the "Nordic and Baltic Regions"). Niam Nordic Core-Plus generally will only invest in properties located in Sweden, Finland, Norway and Denmark (the "Nordic Region").

The Funds primarily invest through wholly-owned entities in real estate and real estate-related opportunities, however, the Funds may also invest in real estate both directly and indirectly through the acquisition of controlling interests in companies or joint ventures owning real estate. Niam utilizes its team of real estate professionals located in regional offices combined with its wide reaching network to evaluate and select investments based on a strategy supported by an extensive analysis of the macroeconomics and its impact on the real estate market. Niam's team draws upon their long-standing local relationships and experience of investing in certain area to analyze and interpret the property market on an ongoing basis. The foundation of expertise is combined with a formal analysis of macroeconomic conditions and their projected impact on the local property markets in order to shape an investment strategy.

### Risk of Loss

While Niam actively manages its portfolios in an effort to achieve returns and reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that investments made in the Funds face.

- *Risks of Investing in Real Estate Assets.* Where Niam invests client assets in real estate assets, such investments are subject to all the risks inherent in investing in real estate

assets. These risks include, without limitation: illiquidity of real estate investments; general and local economic and social conditions; neighborhood values and the adverse use of adjacent or neighboring real estate; the supply of, and demand for, properties of the type in which a client invests; changes in tax, zoning, building, environmental and other applicable laws; real property tax rates; changes in interest rates; governmental actions; fluctuation of real estate values; the unavailability or limited availability of credit that may render the sale of real estate assets difficult or unattractive; calamities; and acts of bad faith. Such risks also may cause fluctuations in operating expenses, which could adversely affect the value of client investments in real estate assets. Where client investments include debt instruments, such investments are also subject to the risk of counterparty default.

- *Limited Diversification of Investments.* The Funds will target investments in countries in the Nordic and Baltic Regions or the Nordic Region. The Funds potentially may not have a portfolio of investments diversified across the countries in the Nordic and Baltic Regions, and investors have no assurance as to the degree of diversification of investments according to asset type. Consequently, the performance of the Funds is more susceptible to a single country's regional economic, political, social or other event adversely affecting some or all of the Fund's investments than if the investments were more diversified. In addition, the performance of the Funds are more susceptible to regional economic, political, social or other event adversely affecting the Nordic or Baltic Regions than if the countries and regions in which Funds investment were more diversified.
- *Non-Specified Investments.* Niam invests client assets in real estate assets and other investments that will generally not be identified to clients prior to such investment. Clients must rely on the judgment and ability of Niam with respect to the investment of client assets, and will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding such investments. No assurance can be given that Niam will be successful in obtaining real estate assets suitable for investment.
- *Indemnification of Investment Manager.* To the maximum extent permitted by law, the Fund will indemnify and hold harmless the Manager, Niam and their respective affiliates, directors, officers, employees, agents and shareholders against any claims, liabilities, costs and expenses, including reasonable legal fees, incurred by them by reason of their activities on behalf of the Fund or the partners thereof in the absence of gross negligence, bad faith, fraud, willful default or material breach of the Fund's governing documents by such persons.
- *Reliance on the Investment Manager and Key Personnel.* The successful investment and disposal of each Fund will depend, in part, upon the skill of, and the investment decisions

made by Niam. Loss of any key personnel of Niam could have a material adverse effect on the potential performance of each Fund. While Niam employs an experienced team of skilled professionals, the roles of Urban Edenstrom, Johan Bergman, Fredrik Jonsson, and the portfolio manager of each Fund will be significant in the fortunes of the Fund and their deaths, incapacity or unavailability for whatever reason may affect the performance of one or more of the Funds.

Please see each Fund's governing documents for more information about the specific risks associated with an investment in that Fund.

### **Disciplinary Information**

Niam has no disciplinary events required to be disclosed.

### **Other Financial Industry Activities and Affiliations**

Niam has relationships with the following related persons that are or are potentially material to its advisory business.

Newsec Advice AB, Newsec AS, Niam A/S, and Niam OY (collectively, the Niam Real Estate Brokers") are full service real estate brokers. One or more of the Niam Real Estate Brokers may act as a real estate broker in transactions involving the Funds, representing either the buyer or the seller. This creates the potential for a conflict of interest between Niam and the Niam Real Estate Brokers and the Funds, particularly with respect to the fees charged to the Funds by the Niam Real Estate Brokers. To help avoid this conflict, Fund transactions involving the Niam Real Estate Brokers may only be entered into on terms no less favorable to the Fund than otherwise available from unrelated third parties.

Newsec Asset Management AB ("Newsec Asset Management") is a real estate property management firm. Newsec Asset Management may provide property management services to the Funds. This creates the potential for a conflict of interest between Niam and Newsec Asset Management and the Funds, particularly with respect to the fees charged to the Funds by Newsec Asset Management. To help avoid this conflict, arrangements between Newsec Asset Management and the Funds may only be entered into on terms no less favorable to the Fund than otherwise available from unrelated third parties.

Newsec Corporate Finance AB ("Newsec Corporate Finance") is a financial services company. Newsec Corporate Finance is compensated by Niam for referring non-U.S. investors to certain of the Funds. To the extent Newsec Corporate Finance provides services to the Funds, that relationship would create a potential for a conflict of interest. To help avoid this conflict, such



arrangements will only be entered into on terms no less favorable to the Fund than otherwise available from unrelated third parties.

Datscha AB (“Datscha”) provides a web-based service for performing analyses of the Swedish real estate market. Datscha may provide such services to the Funds. This creates the potential for a conflict of interest between Niam and Datscha and the Funds, particularly with respect to the fees charged to the Funds by Datscha. To help avoid this conflict, arrangements between Datscha and the Funds may only be entered into on terms no less favorable to the Fund than otherwise available from unrelated third parties.

JM AB (“JM”) is one of the Nordic region’s largest real estate developers. Niam’s CEO currently serves as a member of JM’s board. JM may buy or sell real estate to or from the Funds. This creates the potential for a conflict of interest between Niam and JM and the Funds because Niam’s CEO could be viewed as serving on both sides of the transaction. To help avoid this conflict and to ensure that Niam acts solely in the best interest of the Funds, Niam’s CEO will not participate in any deliberations, meetings or resolutions of the board of directors of JM involving transactions between JM and the Funds.

In addition to the relationships set forth above, Niam seeks to establish long-term relationships with other significant participants in the real estate and financial markets. Such relationships may include related persons of Niam, including Niam’s senior officers, serving on the board of real estate companies and holding shares in companies with which the Funds may transact business. Such relationships may create the potential for a conflict of interest between Niam and the Funds. To help avoid any such conflicts, Niam will limit the affected individual’s involvement in any Fund transaction decisions involving an affected entity.

The details of all arrangements between each Fund and related persons of Niam are disclosed on an annual basis to the advisory board of each Fund, which is generally made up of representatives of the investors in the Funds selected by the applicable Manager.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

Under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Niam and its officers, directors and certain employees (“Supervised Persons”) owe fiduciary duties to their clients. Consistent with these duties, Niam has adopted a Code of Ethics (“Code”) which, among other things, requires that its Supervised Persons reflect the professional standards expected of investment advisers and comply with U.S. securities laws and regulations pertaining to Niam. Under the Code, Supervised Persons should place the interests of clients first, ahead of their own

personal interests, and generally seek to treat clients fairly. In addition, Supervised Persons are prohibited from engaging in any practice that defrauds or misleads any client or investor, or engaging in any manipulative or deceitful practice with respect to clients, investors or securities.

The Code also includes provisions addressing personal trading by Supervised Persons, as summarized below:

#### Personal Trading

Under the Code, Supervised Persons are generally required to submit information about their personal securities trading activities to Niam's Chief Compliance Officer ("CCO") or the CCO's designee for review. Violations of the Code may result in disciplinary action up to and including dismissal.

#### Participation or Interest in Client Transactions

Under the Code, Supervised Persons are prohibited from trading in securities on the basis of material, non-public information or communicating material, non-public information about the issuer of any security to any other person.

Niam will provide a copy of the Code to clients or prospective clients upon request.

#### **Brokerage Practices**

Niam does not normally utilize the services of securities broker-dealers for transaction related services related to the Funds. In the event that Niam chooses to use a securities broker-dealer, Niam will seek to obtain best execution for any such transactions. Niam may have an incentive to select a securities broker-dealer based on Niam's interest in receiving investor referrals for the Funds.

#### Soft Dollar Transactions

Niam does not use soft dollars, which are credits generated by transactions placed with certain securities broker-dealers that may be used to "purchase" certain research and brokerage products from such securities broker-dealers.

#### Aggregation of Trades

The Funds do not regularly trade in securities. However, if trading securities on behalf of a client, Niam may aggregate a client's securities trades with those of another client to the extent

consistent with receiving best execution. Generally, clients participating in an aggregated order will receive an average price of all trades placed that trading day and pay their ratable share of brokerage costs. In some cases, Niam may be excluded from aggregated block trades due to legal or regulatory concerns.

### **Review of Accounts**

Niam's portfolio managers regularly review the Funds' and, if applicable, other clients' accounts. These reviews focus on investments, performance and potential performance. Niam provides periodic reports and other updates as deemed necessary or advisable to each Fund and its investors, including a listing of the investments in the Fund.

### **Client Referrals and Other Compensation**

Niam does not engage solicitors who refer clients to it, however, Niam may compensate certain third-parties who refer investors to the Funds advised by Niam.

### **Custody**

Niam is deemed to have custody of certain assets of the Funds. The Funds' (other than Niam Nordic Core-Plus, which currently does not accept U.S. investors) qualified custodians are Skandinaviska Enskilda Banken AB and Aareal Bank AG, which are banks located in Stockholm, Sweden (the "Qualified Custodians"). The Funds' (other than Niam Nordic Core-Plus) certificated investment securities are held by one of the Qualified Custodians on behalf of the Funds. Niam does not use the Qualified Custodians to send quarterly account statements directly to the Funds or the investors. Each Fund is audited annually and the annual audited financial statements of each Fund are sent to the investors.

### **Investment Discretion**

Niam has discretionary authority over the client portfolios that it manages. The Funds' governing documents and associated agreements generally grant Niam the power to acquire, invest, encumber, dispose and otherwise manage any and all assets held by the Funds.

### **Voting Client Securities**

As real estate funds, the Funds generally do not own securities that have voting rights. However, to the extent the Funds own securities with voting rights, Niam will vote the related proxies in a manner that serves the best interests of the Funds. Except to the extent required under applicable laws or regulations, the Funds and investors will have no authority to direct the vote of Niam. In

voting securities held by a Fund, Niam will attempt to resolve any conflict of interest between the Fund and Niam's business interests in the way that will most benefit the Fund. Niam maintains a detailed Proxy Voting Policy and a record of how it has voted proxies, if any, each of which is available to clients upon request.

### **Financial Information**

Niam does not require or solicit prepayment of fees six months or more in advance, and Niam currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.