

**Item 1. Cover Page**

**Realty Associates Advisors LLC**

**28 State Street, 10<sup>th</sup> Floor  
Boston, MA 02109  
(617) 476-2700**

[www.tarealty.com](http://www.tarealty.com)

March 31, 2014

This brochure provides information about the qualifications and business practices of Realty Associates Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 617-476-2700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Realty Associates Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although Realty Associates Advisors LLC is a "registered investment adviser," that registration does not imply a certain level of skill or training.

**Item 2. Material Changes**

Not applicable.

<b>Item 3.</b>	<b>Table of Contents</b>	<b><u>Page</u></b>
Item 1.	Cover Page.....	1
Item 2.	Material Changes.....	2
Item 3.	Table of Contents.....	3
Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation.....	5
Item 6.	Performance-Based Fees and Side-By-Side Management.....	6
Item 7.	Types of Clients.....	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9.	Disciplinary Information.....	10
Item 10.	Other Financial Industry Activities and Affiliations.....	11
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12.	Brokerage Practices.....	13
Item 13.	Review of Accounts.....	14
Item 14.	Client Referrals and Other Compensation.....	15
Item 15.	Custody.....	16
Item 16.	Investment Discretion.....	17
Item 17.	Voting Client Securities.....	18
Item 18.	Financial Information.....	19

#### **Item 4. Advisory Business**

TA Associates Realty is a limited liability company that has been a registered investment advisor since December 24, 1990 (SEC registration number 801-37990) and is part of an independent real estate investment management firm that has been in business for more than 25 years. Throughout its history, TA Associates Realty has focused exclusively on private real estate investment and currently manages core separate accounts totaling approximately \$1,144.0 million in real estate assets under management as of December 31, 2013, all of which are managed on a discretionary basis.

TA Associates Realty provides investment advisory services regarding, and manages, real estate investments and special purpose entities organized to hold real estate investments for institutional investors such as pension and profit sharing plans and state and municipal retirement plans. TA Associates Realty performs these services for its clients on a separate account basis or indirectly through limited partnerships, limited liability companies, title holding corporations and other special purpose vehicles organized to hold clients' real estate investments.

Because TA Associates Realty's clients engage it to provide advice regarding real estate investments, it generally does not enter into securities transactions on its clients' behalf. For some clients, however, it may make investments in securities (typically money market mutual funds) for cash management purposes, in which case TA Associates Realty may determine the securities, and their amount, to be bought or sold for a client account, the parties with who or through whom the transactions are conducted and any fees or charges associated with those investments.

TA Associates Realty is 100% employee owned/controlled. The only principal owner of TA Associates Realty is Realty Associates Advisors Trust, a Massachusetts business trust, whose sole trustee and majority owner is Michael A. Ruane, TA Associates Realty's founder.

## **Item 5. Fees and Compensation**

TA Associates Realty receives management fees, transaction fees and performance-based fees or allocations that are negotiated on a client-by-client basis.

TA Associates Realty may receive compensation based on one or more of (a) a percentage of assets managed within the client's account, (b) a percentage of the income from the account's real estate operations and (c) a percentage of the amount paid in connection with the acquisition of real estate holdings within the account and related financings. TA Associates Realty may also receive fees in connection with the disposition of an account's real estate holdings. Management fees are billed to clients either monthly or quarterly (in arrears) and may be paid directly (i.e. deducted) from the client's assets or billed to them separately, as stipulated in the applicable investment advisory agreement. Performance based fees or allocations and transaction related fees are payable to TA Associates Realty at such times as set forth in the client's investment advisory agreement.

Fees payable to TA Associates Realty by clients in connection with the disposition of real estate are not expected to give rise to any conflicts with respect to hold/sell decisions as the sale of assets will result in a corresponding reduction in the assets within the account on which the on-going management fees payable by such account are based. Decisions regarding when to buy, sell or invest additional capital into real estate projects are made based on what is in the best interest of a separate account's real estate investments in order to accomplish the separate account's objectives and/or to protect and preserve its assets.

A client's interim cash balances may be invested in money market mutual funds for cash management purposes. Such money market mutual funds will generally incur expenses, including investment advisory fees that are in addition to fees charged by TA Associates Realty or other expenses incurred by a separate account.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

TA Associates Realty is entitled to earn an incentive fee or receive an incentive allocation based on the performance of the real estate investments for the majority of its managed separate accounts. Typically, TA Associates Realty receives a fee/allocation if the performance of the separate account exceeds certain thresholds. The specific terms of a separate account's incentive fee/allocation, including the manner in which it is calculated and the applicable measurement and payment dates, are negotiated on a client-by-client basis and are set forth in each client's investment advisory agreement.

To manage the risk that certain clients may be favored for a particular investment based upon that client's compensation structure, TA Associates Realty has adopted a formal policy for allocating among its clients those investments that may be suitable for more than one client. Under TA Associates Realty's investment allocation policy, when a property is identified by TA Associates Realty for possible acquisition, TA Associates Realty's Investment Committee will determine whether it is a suitable investment for a separate account managed by TA Associates Realty that is actively pursuing such investments. Whenever the Investment Committee determines that a particular investment opportunity may be appropriate for more than one of its managed separate accounts, the investment will be allocated to the separate account that has funds available and has gone the longest since having been presented with an investment opportunity.

**Item 7. Types of Clients**

TA Associates Realty's clients are primarily sophisticated institutional investors, including pension and profit sharing plans and state and municipal retirement plans.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

TA Associates Realty seeks to construct for its clients diversified real estate portfolios that will generate strong cash flow, benefit from an active asset management approach and result in long-term creation of value. TA Associates Realty utilizes a comprehensive market research approach with respect to its acquisition, disposition and the ongoing management of its clients' investments in real estate. TA Associates Realty reviews numerous publications, gathers information from ongoing relationships with local, regional and national real estate brokers, leasing companies and property management groups, and conducts a comparative analysis for each proposed real estate investment.

TA Associates Realty takes measured steps to ensure risks across all aspects of a client's investment portfolio are being appropriately managed. Experienced real estate professionals in acquisitions, dispositions, valuations, asset management, portfolio management and finance and operations participate in a team approach to risk management, including in the form of various committees. The applicable committee(s) must reach a consensus before material decisions are made with respect to a client's real estate investments.

TA Associates Realty uses a team approach to portfolio management designed to moderate market or property-specific impact; monitor weightings and transaction decisions as relative performance of property type or markets change; create portfolios of properties with complementary risk profiles; purchase and monitor properties at various stages in their life cycles, and structure tenant size, credit and type of business diversification. The active management of client portfolios is coordinated and supervised by the portfolio managers and various other senior members of TA Associates Realty.

Additionally, client investment guidelines are disseminated to appropriate TA Associate Realty partners and staff by the portfolio managers who work with Separate Account Controllers and others to ensure that guidelines are correct and up to date in all systems. Compliance with investment guidelines is carefully monitored by the portfolio managers and Separate Account Controllers.

Each potential acquisition is led by a partner within TA Associates Realty's acquisitions group and is thoroughly underwritten by our acquisition team often with input from portfolio managers, asset managers and certain finance and operations personnel to determine if they meet a separate account's investment objectives and guidelines. Every acquisition must undergo exhaustive financial, physical and market due diligence by our senior acquisition officers and third-party due diligence specialists. For each potential investment, a senior member of TA Associates Realty is designated to independently review the purchase and sale agreement and related transaction documents and all due diligence reports relating to such investment. The TA Associates Realty acquisitions partner leading a potential transaction must submit a written investment summary to the Acquisitions Committee for approval and receive unanimous support of the Investment Committee before TA Associates Realty commits to the acquisition.

Investments in the real estate strategies employed by TA Associates Realty involve a risk of loss that clients should be prepared to bear. There can be no assurance that a separate account's investment objectives will be achieved. The primary risks inherent in the real estate strategies employed by TA Associates Realty are as follows:

1. *General Risks of Real Estate Investment* - The economic performance and value of the real estate investments within the separate accounts managed by TA Associates Realty are subject to all of the risks associated with owning and operating real estate, including, but not limited to:
  - adverse changes in the national, regional and/or local economic climate;
  - adverse changes in local market conditions, including an oversupply of space in the applicable property types held by a separate account, or a reduction in demand for such properties;



- adverse changes in the attractiveness of the properties to tenants;
  - adverse changes in the financial conditions of tenants (and their ability to pay rent);
  - competition from other available properties;
  - adverse changes in market rental rates;
  - the need to periodically pay for costs to repair, renovate and re-let space;
  - increases in operating costs and expenses, including costs for maintenance, insurance, energy and real estate taxes;
  - adverse changes in the availability of debt financing;
  - increases in interest rates;
  - adverse changes in laws and governmental regulation, including environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
  - the fact that the expenses of owning and operating real estate are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from such real estate;
  - certain significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) generally do not decline when circumstances cause a reduction in income from such real estate;
  - the long term cyclical trends that give rise to significant volatility in real estate values; and
  - risks associated with acts of God, uninsurable losses and other factors beyond the control of a separate account.
2. *Market Risk; Economic Downturn* - Client investments generally consist of real estate within industrial, office, multifamily and retail properties. The performance of such properties may be adversely affected by weakness in the national, regional and local economies and the excess amount of real estate space in certain markets.
  3. *Leverage/Debt Financing* - Separate accounts may leverage their investments by means of debt financing, subject to the restrictions on the amount of leverage set forth in each separate account's investment advisory agreement. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also increase the risk of loss.
  4. *Illiquidity* - Real estate investments are relatively illiquid and cannot be disposed of as quickly as liquid investments, such as investments in publicly-traded securities. As a result, a separate account may not be able to dispose of its properties when so desired.
  5. *Environmental Risks* - Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property and may be liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with the contamination. Such laws typically impose clean up responsibility and liability without regard to whether the owner knew of or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility.

The above is only a brief summary of some of the important risks associated with real estate investment strategies employed by TA Associates Realty of which clients should be aware. As a result of these factors and other risks inherent in any investment, there can be no assurance, and none is given, that a client's investment objectives will be achieved, or that a client will receive any return of or on its invested capital.

**Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

Not applicable.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

TA Associates Realty has established a Code of Ethics, Conduct and Insider Trading Policy (the “Code”) in accordance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code contains provisions that set forth standards of conduct and educates employees about their obligations to clients and obligations to comply with federal and state securities laws. The Code is intended to guide actions related to conflicts of interest and confidentiality. The Code also contains provisions related to reporting violations of, and enforcing, the Code. Each employee is required to acknowledge that he or she received, read and understands the Code. TA Associates Realty will provide a copy of the Code to any client or prospective client upon request.

TA Associates Realty, through an affiliate, co-invests in a limited number of real estate assets with a client. This client’s account is currently being liquidated and no additional co-investments are expected. All transactions with respect to the client’s account were executed pursuant to the terms of such client’s investment management agreement and complied with TA Associates Realty’s Code and other policies and procedures.

TA Associates Realty is affiliated with TA Realty LLC, a registered investment advisor (SEC registration no. 801-57460). From time to time TA Associates Realty’s separate account clients may be offered the opportunity to invest in newly formed commingled real estate funds managed by TA Realty LLC. In connection with such offers, clients are provided with disclosures that describe TA Realty LLC’s involvement with and interests in such fund.

**Item 12. Brokerage Practices**

Not applicable.

**Item 13. Review of Accounts**

With respect to real estate investments, each property is monitored regularly by TA Associates Realty's asset managers and independent third-party management companies. Property reports are prepared monthly and are regularly reviewed (typically at least quarterly) by TA Associates Realty's financial accounting staff. Any findings resulting from these reviews are first resolved by TA Realty's financial accounting staff with the third-party management companies and then communicated to TA Realty's asset management team for their review and consideration.

Portfolio level financial statements are prepared quarterly and are reviewed by TA Associates Realty's Separate Account Controller(s) and Director of Accounting. TA Associates Realty's Chief Financial Officer and portfolio managers are also involved in various review procedures with respect to portfolio level financial statements.

TA Associates Realty provides written quarterly reports, including unaudited financial statements, to all clients. In addition, annual audited financial statements are provided to all clients, unless the client elects not to receive audited financial statements or an annual audit is not required pursuant to the client's investment advisory agreement.

**Item 14. Client Referrals and Other Compensation**

Not applicable.

## **Item 15. Custody**

TA Associates Realty provides advice regarding real estate investments and generally does not enter into securities transactions on its clients' behalf. For some clients, however, it may make investments in securities (typically money market mutual funds) for cash management purposes, in which case TA Associates Realty may determine the securities, and their amount, to be bought or sold for a client account, the parties with who or through whom the transactions are conducted and approve any fees or charges associated with those investments, in which case:

- a qualified custodian maintains these funds and/or securities in a separate account for each client under that client's name; or in accounts that contain only clients' funds and/or securities, under TA Associates Realty's name as agent or trustee for the clients;
- each separate account (except for those identified in the next bullet) is audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and we distribute those audited financial statements (which are prepared in accordance with generally accepted accounting principles) to each applicable separate account client, within 120 days of the end of the fiscal year of the applicable separate account; and
- for separate accounts that are not audited (or that are audited, but for which the audited financial statements are not distributed with 120 days of the end of the separate account's fiscal year or otherwise do not meet the requirements of Rule 206(4)-2(b)(4) under the Advisers Act), an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, conducts an annual surprise examination of these clients' funds and/or securities. Such clients will also receive account statements from a qualified custodian on a quarterly or more frequent basis. Such clients may also receive periodic account statements from TA Associates Realty. Clients should carefully review account statements received from the qualified custodian and compare such account statements with those, if any, received from TA Associates Realty.



**Item 16. Investment Discretion**

All of TA Associates Realty's separate accounts are managed on a discretionary basis. Certain of its separate accounts have specific procedures for recommending and obtaining approval to consummate investment transactions. The specifics of TA Associates Realty's authority to manage the assets of a separate account are set forth in the applicable investment advisory agreement(s).

The scope of restrictions on TA Associates Realty's authority to recommend real estate investments are set forth in the applicable investment advisory agreements for separate account clients. These investment restrictions generally include limitations on the amount of investments made in certain property types, the amount of investments made in certain geographic locations and the size of individual investments relative to the size of a given portfolio.

**Item 17. Voting Client Securities**

TA Associates Realty does not intend to invest client assets in voting securities, except that client accounts may hold shares of unaffiliated money market mutual funds (“Cash Sweep Funds”) used to earn a return on any uninvested cash balances. If it receives a proxy for a Cash Sweep Fund, TA Associates Realty intends to vote the proxy as recommended by the Cash Sweep Fund's trustees who are not interested persons of the Cash Sweep Fund within the meaning of the Investment Company Act of 1940, as amended. Upon request, TA Associates Realty will provide clients with information about how proxies received for the client’s account were voted.

**Item 18. Financial Information**

Not applicable.