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<http://www.ubs.com/us/en/asset-management/real-estate/realty.html>

March 31, 2017

This brochure provides information about the qualifications and business practices of UBS Realty Investors LLC. If you have any questions about the contents of this brochure, please contact the firm's Chief Compliance Officer, Nicholas S. Pile at (860) 616-9046 or nicholas.pile@ubs.com. 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.

UBS Realty Investors LLC is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training.

Additional information about UBS Realty Investors LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107758.

Item 2. Material Changes

We may update this Firm Brochure at any time, and will either send you a copy or offer to send you a copy (either electronically or in hard copy) as may be necessary or required but at least on an annual basis.

We will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our fiscal year. We will provide you with other interim disclosures about material changes as necessary.

There have been no material changes made since the last annual update on March 30, 2016.

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Item 4. Advisory Business

General description and ownership

UBS Realty Investors LLC (also referred to as “we”, “it” “our”, or the “firm”) is organized as a Massachusetts limited liability company and serves as an investment advisor to commingled real estate funds and real estate separate accounts with institutional clients.

As of December 31, 2016, we had \$27.50 billion of real estate investments through commingled real estate funds, \$2.73 billion in individually managed discretionary real estate accounts, and \$184 million in non-discretionary real estate asset management accounts. Included in these assets are ancillary cash and cash equivalents generated from the property operations.

We specialize in the acquisition, management, development, improvement, leasing, and disposition of direct real estate properties, primarily apartments, office buildings, retail, industrial complexes, and hotels. We also invest in participating mortgages. We have approximately 199 employees and are headquartered in Hartford, CT, with regional offices in San Francisco and Dallas. The firm has a subsidiary investment adviser that focuses on investing in agricultural properties. The firm also has a limited purpose broker-dealer through which we distribute the private placements managed by us or the farmland adviser. We have four commingled real estate funds offered as private placements; one closed-end commingled real estate fund that is closed to new investors and several individually managed real estate accounts. The firm periodically seeks to offer new closed and open-end funds and separately managed accounts investing in real estate.

Since 1978, UBS Realty and its predecessor companies have provided a wide array of real estate investment management services on behalf of its clients, which include corporations, state and municipal governments, foundations, offshore and private investors. UBS Realty has invested utilizing a variety of strategies ranging from acquiring existing unleveraged investments to developing projects with significant leverage. We primarily invest through core equity, participating debt, and value-added strategies. These strategies have been implemented through open-end and closed-end funds as well as individual client accounts.

UBS Realty Investors LLC is an indirect, wholly owned subsidiary of UBS Group AG. UBS Realty is the primary US real estate business within the Real Estate & Private Markets (REPM) investment area of UBS’s Asset Management business division.

UBS’s involvement with this real estate asset management business began in 1999, when UBS Asset Management acquired Allegis Realty Investors LLC, which was renamed UBS Realty Investors LLC. Allegis had been formed in 1996 when Aetna Realty, which

started this business in 1978, divested its third-party real estate investment management business as part of its strategy to exit the financial services business and focus on health insurance.

Type of Advisory Services

We offer investment advisory services to investors and to commingled funds (structured by us) that wish to invest in real property investments and participating mortgages. We are generally the investment manager of such comingled funds and serve as the general partner, managing member or in a similar capacity to the fund. Investors choosing to invest their assets in a commingled fund are purchasing shares of, or units in, a commingled fund. In these cases, the fund is the firm's real estate client. These investors are accordingly not advisory clients of the firm and do not impose restrictions on how we invest the commingled funds above and beyond the restrictions set forth in the funds' documents. Clients who invest through individually managed real estate accounts may be viewed as advisory clients if the clients are obtaining securities-related advice with respect to any ancillary cash generated by the real estate. These clients can impose investment guidelines or restrictions tailored to their needs under their advisory agreements. We do not target our advisory services to non-institutional clients and we do not participate in any wrap fee programs.

Separately managed real estate account clients determine investment guidelines and restrictions, such as limitations on how much can be invested in a property type or how much can be invested in any one geographic region. They communicate these guidelines to us in writing. We then tailor an overall strategy and a real estate investment plan designed to conform to the objectives, guidelines and restrictions. If a real estate investment decision involves action not permitted under the applicable guidelines, the approval of the client is required prior to taking such action.

Item 5. Fees and Compensation

The firm does not have a set fee schedule for individually managed accounts. Fee schedules are negotiable and vary substantially from one real estate account to another based upon, among other things: the complexity and value of services chosen; client objectives; the investment amount; the anticipated number and type of investments involved; the scope and intensity of client servicing; and reporting. Clients invested in the same commingled fund pay fees based on the fee schedule disclosed in that fund's offering materials. The fee can be fixed at a flat amount or can be any one or combination of the following: a percentage of purchase price or sales proceeds; a percentage of assets under management; a percentage of account income; and a performance fee charged in accordance with Rule 205-3 of the Investment Advisers Act of 1940 and with applicable state laws and regulations.

Example of fees

Real Estate (\$50 million)	Other fees
Asset management fee based on gross invested capital	Annual fee of 0.60% - 1.1%
Asset management fee based on income	7.0% - 8.0%
Acquisition fee based on gross purchase price	0.75% - 1.25%
Dispositions Fixed fee based on gross sales price, e.g., 1.00% Or Variable fee based on gross sales price	0.20% - 1.00% Plus 10% - 20% for amounts above a threshold return to investors
Financing fee based on debt raised	1.00%
Out-of-pocket expenses Customary reimbursement of all third party charges and reasonable out-of-pocket expenses.	

Fee schedules for the commingled funds we manage are documented in the funds' respective private placement memorandum ("PPM") and clients in these funds pay fees according to these documented fee schedules. These fees are not negotiable. As documented in the fee schedules fees vary between investors. In addition, if there are organizational and initial offering expenses relating to certain investors, for example, when setting up a new share class, these investors, rather than the funds, generally will be subject to these expenses. Where an investor is invested in multiple commingled funds with us we generally aggregate such investor assets when calculating fees for that investor across multiple funds. In addition to the asset management fee, the PPM for certain of our commingled funds includes provisions for other fees such as a performance based fee.

Management fees are generally calculated quarterly and deducted from the account-level cash or, for commingled funds, from the accounts' allocable share of the quarterly

distribution. In limited circumstances, clients in open-end real estate commingled funds and individually managed real estate accounts may elect to be direct billed following each quarter end. Clients in closed-end real estate funds do not have a direct bill option.

Certain qualified pension, profit sharing and governmental plan clients' assets can be invested in a certain commingled collective trust fund (the "Collective Fund") maintained by our affiliate, UBS Asset Management Trust Company (the "Trust Company"). The Trust Company is an affiliate of UBS Realty, who serves as the sub-advisor to the Trust Company with respect to the real estate fund portion of the Collective Fund. The Trust Company, as Trustee of the Collective Fund, charges a fee for providing such services and pays a portion of such fee to UBS Realty for serving as sub-advisor. Duplicate fees are not charged to a client for the same services provided by UBS Realty and the Trust Company. Further information about the management fees and expenses related to the Collective Fund is available in the applicable Offering Memorandum.

Certain accounts have variable fees or transaction-based acquisition and disposition fees. These fees may be deducted or billed less frequently per the terms of the advisory agreement for the fund or account.

Fees are charged and payable quarterly in arrears. No fees are charged in advance; therefore refunds typically will not apply. If the advisory relationship is terminated, UBS Realty is generally entitled to the pro-rata portion of the earned fees.

No supervised person is compensated for the sale of securities or investment products. The firm, however, can receive compensation related to the acquisition or disposition of an asset, if that fee is part of the negotiated fee schedule or is included in the fund or account documents.

The existence of acquisition and disposition fees, if any, can create an incentive to acquire or dispose of assets based on compensation received versus a client's needs. The other components of our fee schedules and the existence of cross-functional investment committees involved in the approval of each transaction, substantially reduces that risk. Furthermore, no employee of the firm is directly compensated on a transactional basis.

Other fees or expenses

Clients will pay all costs, expenses and fees incurred in operating the fund or account including costs, expenses and fees incurred for legal, accounting, audit, third-party valuation services, insurance and indemnification, tax and other consulting services (including engineering and environmental consulting), and other costs, expenses, and fees incurred in the evaluation, acquisition, financing, leasing, development, management, operation, valuation, monitoring and disposition of investments (including such expenses incurred in connection with transactions that are not consummated for any reason).

Investors in the commingled funds can be charged a placement fee of up to 2% of their capital commitment and/or an administrative fee of up to 0.60% per annum in connection

with their investment in the fund. Any such placement or administrative fee will be determined by the broker-dealer or other entity arranging the investment and charged to the investor. No portion of any such placement or administrative fee will be retained by UBS Realty nor will they be paid by the fund. Any such broker-dealer or other entity arranging an investment in the commingled funds can include affiliates of UBS AG. In addition, the commingled funds will reimburse reasonable expenses incurred by members of the fund's advisory council, which is an advisory committee composed of representatives of certain fund investors which can be consulted with respect to certain fund matters. We can share a portion of our management fees with our affiliates and one of our commingled funds operates a founding investor program where certain investors that met certain minimum investing standards and that constituted the initial investors in the fund participate in a portion of the variable fees paid to UBS Realty for a limited period.

Asset based management fees, performance based fees and applicable expenses/costs are disclosed in more detail in each fund's confidential offering documents or in the agreement with a client governing an individual account.

Brokerage or transaction costs

Third-party real estate brokers charge commissions on real estate transactions that are added to the acquisition cost or deducted from the sale proceeds and prospective investors are directed to Item 12 A. of this brochure that describes factors used when selecting brokers including the reasonableness of their compensation.

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

We provide advisory services to multiple clients and funds that have varying and sometimes similar investment objectives. Some of the accounts or funds have performance-based fee structures. These fee structures can create an incentive for us to make more speculative decisions on behalf of those accounts or funds than we would otherwise make if these fees did not exist. This is in part because they allow us to receive increased compensation as a result of unrealized and realized gains in an account. We have controls in place to address such conflicts, and variable fees are only charged in compliance with Regulation 205-3 of the Investment Advisers Act of 1940, as amended.

We address the potential conflicts in several ways. The most critical process we follow is a disciplined investment allocation process. If an investment is deemed suitable for only one of our accounts, it is allocated to that account.

If a prospective investment is deemed suitable for more than one of our clients, the investment will be offered on a rotating basis (the "Allocation Policy") to each client on the "Rotation Allocation List." Every discretionary account and non-discretionary account that has made a firm investment commitment to our firm is included on the Rotation Allocation List. The investment will first be offered to the account that has the

highest priority on the Rotation Allocation List. Priority is given to the account with the longest elapsed time since its most recently allocated investment. UBS Realty's Investment Coordinating Committee oversees this process. If an existing investment includes an option or similar property right to acquire an additional property, the fund or account having the benefit of such option or other similar property right is entitled to be allocated the additional property. This committee includes UBS Realty's president, portfolio managers, heads of acquisitions and asset management, and general counsel. The allocation process is coordinated by the Director of Operations and allocations are reviewed by Compliance. The Compliance function does not report to the head of the business, but instead, as part of UBS's control structure, it has an independent reporting line to the head of Asset Management Compliance in the Americas.

The Investment Committee also provides a key check and balance function. It is the primary investment decision-making body for UBS Realty. A majority of the Investment Committee members and the applicable portfolio manager have to approve each significant transaction (including acquisitions, dispositions, and certain major capital transactions). Chaired by the president of UBS Realty, the Investment Committee currently includes the portfolio managers, the heads of acquisitions, asset management, research, client services, and the general counsel, as well as the regional heads of asset management, and for sales transactions, the regional acquisition heads. With its cross functional nature, this committee provides for a balanced discussion surrounding investment decisions, which helps ensure that one portfolio manager does not enter into a riskier investment for inappropriate reasons. Finally, in our core real estate commingled fund, the variable fee is "bounded" by an upper limit, reducing the upside potential in which we can participate, significantly mitigating the conflicts associated with performance fees.

Item 7. Types of Clients

The majority of clients and fund investors are institutional clients. They include state and local government pension plans, corporate and labor union pension plans, and other plans including those of corporations, tax exempt organizations, and charitable organizations.

Minimum capital commitment size varies from fund to fund. Initial investment in our commingled funds must generally be at least \$1,000,000 and \$5,000,000 for our core real estate commingled fund. The minimum commitment acceptable to establish an individually managed account generally is \$100,000,000. Minimums can vary for different types of investors and the firm may waive the minimum investment amount at our discretion.

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

We believe that a well-conceived real estate investment program recognizes long-term economic and real estate trends, capitalizes on short-term pricing opportunities, efficiently uses diversification to minimize risk, manages each investment as an operating

business, and sells assets on a timely basis to enhance performance. Our investment strategy is based on research that combines broad market and economic trends with property pricing and forecasts of future economic performance.

The basic investment strategy of our accounts and funds is to acquire a variety of U.S. commercial and multifamily real estate properties that seek to provide attractive risk-adjusted returns consisting of current income and capital appreciation in predominantly stabilized, income-producing property. We focus on selective acquisitions, diversification, active portfolio management and aggressive asset management. Diversification can be pursued in many ways, including by geographic region, property type, and economic sector. We also manage risk across investment structure and life cycle.

Another significant strategy involves investing in participating mortgage loans made to operating companies. These participating mortgage loans have both fixed and participating income characteristics. The goal is to provide attractive real estate based income-oriented returns while limiting downside risk. We do this by making loan investments having payment priority over the borrower's equity and utilizing strict underwriting practices, property, geographic and economic diversification strategies and low or no leverage.

Subject to fund or account guidelines, we also implement value-added strategies. Value-add strategies can include implementing one or more of the following: Lease-up; Repositioning; Renovation; Expansion; Forward commitments; Development; Distressed debt; Property Management upgrade.

We provide our funds and accounts with a strong research orientation in asset and sector selection and utilize disciplined research as a risk management tool. To ensure reasonable diversification by market and property type, for many portfolios we employ an asset allocation strategy based on measurements of the investable universe of institutional real estate within the markets monitored by our research group. We use the market weights to determine long-term ranges for our funds' and accounts' target allocations. Our specific targets within those ranges depend on our outlook for that property type and region. Although we do not strictly adhere to specific allocation targets, the analysis of the overall market and development of target allocations provide a meaningful benchmark against which to judge acquisitions and sale opportunities.

Our asset managers are integrally involved with the oversight of the property's management and only reputable third-party appraisal firms are engaged to estimate property values.

All investments carry a certain degree of risk. In particular, investments in real estate and in real estate funds can be very illiquid. For instance, events such as the deterioration of credit markets and increased volatility that began in 2008 resulted in a historically unprecedented lack of liquidity and decline in asset values. This risk factors described herein are not a complete enumeration or explanation of the risks involved in any

particular fund or account, as the particular risks applicable to each fund or account will depend on the nature of the fund or account, its investment strategy or strategies and the types of investments held. A more detailed and specific enumeration and explanation of risks factors is contained in each fund's offering materials.

The value of investments and the income from them will go up as well as down and the possibility of loss does exist and investments in our funds or and accounts are not guaranteed by UBS Realty, UBS or any of their respective affiliates. **In view of the risks associated with an investment in real estate, only investors able to bear the economic risk of their investment for an indefinite period and able to afford a loss of their entire investment should consider investing.** Our past performance and activities provide no assurance of future results. In addition, our fees and expenses reduce investment returns.

General Risks

Regardless of whether we are seeking core, income-producing properties or properties with value added potential, there can be no assurance that we will be able to continually locate and acquire assets meeting any particular fund's or account's objective. Competition for assets generally reduces the number of suitable prospective assets available. Likewise, it may be difficult to sell properties especially during time periods when the markets are experiencing illiquidity or stress such as the 2008-2009 period. It may take a substantial length of time to liquidate a property, or liquidate an investor's position in a fund. These risks could arise from absence of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located. Any of the foregoing factors could limit the ability of the fund or account to vary its investments rapidly in response to changes in economic and other conditions and there can be no assurance that investments will be sold on satisfactory terms.

Owning real properties involves various risks which might impact the value of a fund's or account's investments. These include, but are not limited to, real estate regulatory risks (e.g., building codes and zoning laws) that could require substantial capital not otherwise budgeted; declining general economic or business conditions; and uncertainties in estimating a property's appraised value.

Joint Ventures

In certain cases, real estate investments are owned by joint ventures with third party partners. Joint venture investments involve risks that would not be present with respect to a wholly owned property. For example, a joint venture partner may:

- experience financial difficulties,
- at any time have economic or business interests or goals that are inconsistent with the business interests or goals of the fund or account, or
- take action contrary to the instructions, requests, or policies and objectives of the fund or account.

Furthermore, in some cases, the fund or account can have certain contractual obligations to joint venture partners in connection with a sale or disposition that can limit or prohibit the ability to complete an exit strategy in a timely fashion.

In addition, the fund or account can have an interest in a joint venture where the other party has the right to participate in the cash flows of a property and / or the distribution of sales proceeds of a property. Such fee arrangements with a partner may create an incentive for the property to be managed in a manner that is not consistent with the fund or account's objectives.

In addition, there is a risk of impasse or litigation between the parties because the parties may disagree with a proposed transaction or course of action involving the property. Joint venture arrangements generally require that, in the event that our joint venture partner proposes a sale of a property, the fund or account must have either a right to purchase the partner's interest or other rights to control the sale of the property. There is no assurance, however, that the fund or account would have the unfettered ability or the financial resources to exercise any such rights.

To help avoid these conflicts, we seek to and typically have the controlling interest in a joint venture. Nevertheless, conflicts can arise so our asset managers and our fund accountants remain actively involved with our partners, identifying and working through conflicts if they arise.

Diversification

Diversification is a common objective among our clients because any limit to diversification increases the risk that unfavorable performance of even a single investment might have an adverse effect on the aggregate return. Nevertheless, diversification cannot eliminate the risk of experiencing investment loss and there can be no assurance as to the degree of diversification that will actually be achieved. Therefore, to use diversification as effectively as possible, we establish diversification criteria as part of the investment plan and manage the fund or account in accordance with property type and geographic region guidelines.

Use of leverage

Leverage can be used, subject to fund and account guidelines, to enhance overall performance without incurring unacceptable risk. Leverage will increase the exposure of the real estate assets to adverse economic factors, such as changing interest rates, economic downturns, or deteriorations in the condition of the properties or their

respective markets. Leverage can therefore create a greater potential for loss. As a result, our funds and accounts that invest in core, income-producing properties as the primary strategy are managed with low to moderate leverage (e.g., 20% guidelines). Only funds or accounts with a higher risk profile will be managed using higher leverage limits.

Construction loans

Some funds or accounts can provide construction loans. Construction financing is traditionally a riskier form of financing than financing secured by completed commercial properties. Were construction not to proceed as planned, claims against the borrower may arise. Such claims could arise, because, among other things, the construction may take more time and be more expensive than anticipated, materials necessary to complete the construction may not be available on a timely basis or necessary financing may not be obtainable to complete construction. If such a claim were successful, delays in payments to the fund or account may result. In addition, properties that have not been completed are less likely to be fully leased to tenants.

Value-add and Development

Value-add strategies are subject to a number of additional risks including the risk of lower revenues, higher expenses, or higher expenditures than projected. Development properties are exposed to the risk that a property is not completed on time, or leased according to schedule. Environmental matters, whether known or unknown at the time of acquisition, can also pose a risk that the owner could be liable for removal or remediation costs. There is a risk that the fund or account may contract to acquire properties from sellers that fail to complete construction or that do not satisfactorily lease-up prior to closing with the fund or account. If these situations occur, closing on a property may be delayed until the conditions have been satisfied or the fund or account may choose not to proceed with closing on a property. There can be no assurance that the steps we take to minimize risks of contracting with a nonperforming seller will in all cases protect the fund or account against financial loss. Moreover, to the extent the fund or account is not able to purchase properties because of a seller's failure to cause completion thereof, the fund or account may have lost the opportunity to make other investments in properties, and there may be a corresponding delay in the investment of the fund or account's funds. Risks can be controlled through a variety of means including the use of forward commitment contracts in which the investor commits to purchase the property once the developer has completed construction according to agreed on plans and specifications. In development joint venture, construction risk mitigation steps can include fixed cost construction contracts, developer guarantees of final costs and timing, and close monitoring of construction progress.

Investments in real estate entail a great deal of risk including illiquidity. Some of the risks are described in more detail below. Clients should be prepared to bear the risk of investment for an indefinite period of time and losing their entire investment. Investors who invest in our commingled funds must be Accredited Investors or Qualified

Purchasers, or non-U.S. persons under the Securities Act, depending on the fund, and clients and investors subject to a fee schedule that includes a performance-based fee, must be a Qualified Client under the Investment Advisers Act of 1940, as amended.

Risks of real estate investment generally

Real estate investments are subject to various risks, many of which are beyond our control, such as adverse changes in financial conditions of buyers and sellers of properties; reduction or change in sources of debt or equity financing, including changes in interest rates; increases in real estate taxes and operating expenses; adverse changes in market and economic conditions; zoning, and other governmental laws, regulations, and policies; occupancy levels and the ability to lease space; environmental risks, risks of future terrorist activity; and risk of uninsured losses.

Additional risks include adverse changes in energy prices; changes in law, regulations and governmental policies, including environmental laws, natural and unnatural disasters; acts of terrorism; uninsurable losses; condemnations; and others.

Real estate is an illiquid investment and the fund or account may not be able to generate sufficient cash to meet withdrawal requests from investors. There is no public market for interests in any of our funds and no such market is expected to develop in the future.

Non-U.S. investors should consult their own legal and tax advisers for potential U.S. and/or local country legal or tax implications on any investment. If the currency we use, which is USD, is different from the currency of a client's home country, the return can increase or decrease as a result of currency fluctuations.

Debt investment risks

Accounts can invest capital in debt investments, including construction, participating and other real estate-related loans (collectively, "Debt Investments"). The value of the fund or account's Debt Investments and the fund or account's ability to realize full repayment on a Debt Investment may be adversely affected by all of the factors that affect the fund or account's investments in real property interests. The fund or account's Debt Investments may or may not be secured by the underlying real estate. Risks of Debt Investments include: (i) dependency for repayment on successful operation of the underlying property and tenant businesses operating therein; (ii) the fact that such loans are usually non-recourse to the borrower; and (iii) amortization schedules that are often longer than the stated maturity and provide for balloon payments at stated maturity rather than periodic principal payments.

Debt Investments are also subject to risks of borrower defaults, bankruptcies, fraud and special hazard losses that are not covered by standard hazard insurance. In the event of any default under mortgage loans held by the funds or accounts, the fund or account will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal amount of the mortgage loan and may not receive interest

payments on such mortgage loan. Foreclosures of mortgage loans, bankruptcies affecting mortgage loan borrowers and other collateral realization processes are expensive and lengthy processes that could have a substantial negative effect on the fund or account's anticipated return on the affected mortgage loans.

Although the firm will monitor the performance of the Debt Investments and intends to cause the funds or accounts to invest in real estate companies and properties operated by strong management, the day- to-day operations of the properties underlying the Debt Investments will be the responsibility of the borrowers. There can be no assurance that the management teams of the borrowers will be able to operate the underlying companies or properties in accordance with their business plans or the expectations of the funds or accounts.

Uncertainties in calculating real estate values

We arrange for periodic valuations of the real estate investments. Any such valuation, however, is a subjective analysis of the fair market value of an asset and requires the use of techniques that are costly and time-consuming and ultimately provide no more than an estimate of value. Similarly, certain account liabilities may be valued on the basis of estimates. Accordingly, there can be no assurance that the values of the real estate investments or the account will be accurate on any given date, nor can there be any assurance that the sale of any property would be at a price equivalent to the last estimated value of such property. Accounts with fees based on assets under management would be adversely affected by higher fees if the value of the account were overstated.

Item 9. Disciplinary Information

We have no criminal, civil, administrative, or self regulatory proceedings to disclose.

Item 10. Other Financial Industry Activities and Affiliations

We are not registered, nor do we have an application pending to register, as a broker-dealer.

We own a limited-purpose broker-dealer, UBS Fund Services (USA) LLC, which is used to distribute our commingled funds, which are private placements. The majority of assets under management of the firm are in the commingled funds. However, the broker-dealer does not distribute any securities other than the private placements we manage or that are managed by our subsidiary UBS Farmland Investors LLC or another real estate affiliate. Furthermore, the broker-dealer's employees are shared employees of UBS Realty Investors LLC, it carries no customer accounts or holds any securities, and it is supported by UBS Realty through a service agreement. We therefore do not believe there are any conflicts of interest with clients.

UBS Realty Investors LLC is a wholly owned indirect subsidiary of UBS Group AG ("UBS"). Among UBS' direct and indirect affiliates and related persons are various broker-dealers, investment advisors and banking organizations. Some of these related persons are also registered as commodity pool operators, commodity trading advisors or future commission merchants. We have and anticipate we will maintain arrangements with UBS and its affiliates that are material to our advisory business. We have service level agreements with UBS and its affiliates pursuant to which the affiliates provide certain services including, but not limited to: technology production services, market risk services, legal services and compliance services. UBS Business Solutions US LLC an affiliate of UBS Group AG provides certain services to UBS Group AG's affiliates and subsidiaries that operate in the United States. Services currently include Finance, Risk Control, Compliance, Legal, Human Resources, Technology and Operations.

UBS Realty Investors LLC is one of several entities within the UBS Asset Management Business Group, which includes: UBS Asset Management (US) Inc., UBS Asset Management (Canada) Co., UBS Asset Management (Japan) Ltd., UBS Asset Management (UK) Ltd., UBS Asset Management (Americas) Inc., UBS Real Estate GMBH, and UBS Hana Asset Management Co. Ltd. UBS Realty Investors LLC is the legal entity name conducting the US direct real estate business within UBS Asset Management known as " Real Estate – US". Certain UBS Realty Investors LLC employees are also officers of the UBS Asset Management Trust Company (the "Trust Company"), an Illinois trust company and wholly owned subsidiary of UBS Asset Management (US) Inc. UBS Realty Investors LLC has entered into a sub-advisory agreement with the Trust Company. The Trust Company provides fiduciary services to employee benefit retirement plans and serves as the trustee for various collective investment trusts ("Collective Trusts"). The Collective Trusts are investment vehicles through which certain qualified pension, profit sharing and governmental plans can commingle their assets for investment purposes. The Collective Trusts are exempted from registration and regulation under the Investment Company Act of 1940, as amended.

We do not, nor do any of our management persons, have any relationships or arrangements that are material to our advisory business with an accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships, nor do we recommend or select other investment advisors for our clients.

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

We have adopted a Code of Business Conduct and Ethics that sets forth standards of integrity and business conduct we expect every employee to uphold and follow and

requires all employees to comply with relevant federal securities laws. The Code requires:

- ethical conduct premised on fundamental principles of openness, integrity, honesty and trust;
- protection of material nonpublic information and requirements for prompt internal reporting of any violations of the Code; and
- protection against employees who report violations.

We do not invest, on behalf of ourselves or our clients, in securities that trade on exchanges; nevertheless, our Code addresses personal trading for employees. Included in the personal trading section is the requirement for all employees to pre-clear personal investments in real estate securities, initial public offerings, and private placements. From time to time, the firm and its employees can invest in the same commingled funds as our investors, and while a potential conflict with investors may arise, we have procedures designed to prevent such conflicts from occurring with respect to co-investments or seed capital investments. Our Code further requires employees that we deem as access persons (senior portfolio managers, portfolio managers, permanent members of the Investment Committee(s), RE-US Management Committee and all principals and registered representatives) to report their personal securities holdings and transactions, including those in affiliated mutual funds, on a quarterly basis. All employees must accept the Code, and acknowledge any subsequent amendments, in writing or by electronic affirmation.

A full copy of the Code is available to any client or prospective client upon request.

Item 12. Brokerage Practices

Although this question about brokerage practices is best suited for securities transactions than real property, we feel it is helpful for our clients to understand how we select real estate brokers when we sell our properties.

Real estate brokerage execution is different from securities trade execution. Where there is a great deal of national competing brokerage execution services for securities, we will select qualified real estate brokers who assist in the sale of investments dependent on multiple considerations such as geographic location and local market knowledge, recent transactions, broker opinion of value (BOV), buyer contact list to ensure broad exposure to qualified purchasers quality and reliability of services, marketing support, ability and dependability to close on a timely basis, experience with the property type and the level of complexity involved, reputation, and the nature of any potential conflict with the broker.

After qualifying a broker, we negotiate a fee commission, which will have the affect of reducing sale proceeds, based on factors such as transaction size, property type and transaction complexities (for example, debt, tenancy, legal issues).

We receive no additional services that we would otherwise pay for, such as research, from real estate brokers or other third parties (i.e. soft dollars) in exchange for using their services. Also, in selecting or recommending real estate brokers, we do not consider whether or not we receive or a related person receives client referrals from a broker or third party, nor do we direct real estate transactions to any real estate broker in return for client referrals.

Furthermore, we do not recommend, request or require that a client direct us to use a particular real estate broker and we typically do not permit clients to direct us to use a particular real estate broker. Finally, because we buy and sell real estate, there are no conditions that exist in which we aggregate the purchase or sale of real estate for various portfolios.

Item 13. Review of Accounts

The senior portfolio manager and portfolio manager review funds and accounts for compliance with investment guidelines on a quarterly basis. The chief compliance officer or the compliance officer reviews the funds and accounts annually and compares the asset allocations and property types to any written guidelines on file for the accounts. In addition, for transactions presented to the Investment Committee, the materials presented to the Investment Committee will ordinarily reflect how the proposed transaction would affect the portfolio on a pro forma basis relative to the portfolio's investment guidelines.

Significant transactions will also trigger a review to determine the impact the transaction will have on the resulting fund or account. The senior portfolio managers or portfolio managers will conduct the review. A member of research or a member of the accounting staff may be asked to review the impact on an account or fund for more complex transactions.

When it comes to information, we establish dialogue with our clients through phone conversations, periodic written reports, and periodic investment meetings. We attempt to make our staff as available as necessary to the client and/or consultant to provide the information requested. Our Client Service Representatives are generally available upon request to meet with each client annually. Senior portfolio managers or portfolio managers are available, upon request, to attend client meetings as well.

For commingled funds, each investor receives periodic reports that detail the fund's activity, performance and investment strategy. We produce a flash report quarterly that provides a prompt look at the results of the previous quarter, followed by a detailed quarterly manager's report. The quarterly fund manager's report typically contains an executive summary, detailed performance analysis, portfolio structure, strategy update,

investment activity and quarterly financial statements. Currently, the following reports are those typically provided to the client in written format.

Report	Content	Timing (after quarter-end)
Flash report	Brief market and performance analysis	15 days approximately
Client statement	Account balance and summary of transactions	2 - 3 weeks
Fund manager's report	Executive summary, detailed performance analysis, account structure, strategy and activity.	45 - 60 days
Supplemental information (open-end commingled funds)	Quarterly financial statements, property listings, projections and other detailed information.	45 - 50 days
Research Quarterly - US	Real estate market information and topics of interest.	0 - 90 days
Additional reports	Periodically, additional reports are distributed regarding current topics of interest.	Ad hoc
Annual audited financial statements	Fund financial statements and independent auditor's report.	60-120 days

Item 14. Client Referrals and Other Compensation

We do not receive any economic benefit from anyone who is not a client for providing advisory services to our clients.

We have a marketing and support arrangement with UBS Asset Management (US) Inc. and UBS Asset Management (Japan) Ltd and a Distribution agreement with UBS Fund Management (Switzerland) AG. We can enter into similar arrangements with other

affiliates of UBS Realty for providing all or some of the following services: (i) identifying qualified investors that are interested in investing in our funds and making sales presentations to such investors, (ii) assisting in the process of selling and issuing Interests to such investors, (iii) providing ongoing investor relationship services to certain investors, (iv) coordinating communications among UBS Realty, funds it manages, and fund investors, and (vi) other services as mutually agreed between our firm and these affiliated entities. The amount of fees and frequency of payments will vary depending upon the agreement reached. We will not bill additional fees to clients as a result of any referral arrangement. Fees paid to any affiliate of UBS Realty will be paid out of our revenue.

We have a referral arrangement in place with UBS Financial Services Inc. in which individual financial advisors can be paid a referral fee if the advisor introduces a real estate or farmland property in which a managed portfolio invests. Any fees paid under this arrangement will be paid out of our revenue and we will not bill additional fees to clients as a result of the property referral arrangement.

Additionally, we have a placement agreement with UBS Financial Services Inc. ("UBSFS") who act as a non-exclusive placement agent and provide related client services in connection with investments in units of a share class in one of our commingled funds targeted to certain types of investors who are or will be clients of UBSFS.

We do not directly or indirectly pay compensation to any unaffiliated third parties for client referrals.

Item 15. Custody

The firm acts as an investment adviser to pooled real estate investment vehicles and individually managed real estate accounts and its affiliates act as general partners in the pooled investment vehicles structured as real estate limited partnerships. We do not have physical possession of client funds or securities; however, we can provide securities-related advice to certain clients with respect to ancillary cash in the funds and accounts. We can arrange for payments for acquisitions and other expenses as stipulated in client agreements and accordingly we do have control and discretionary authority over certain client assets. Property level bank accounts are generally opened under the (unaffiliated) property manager's name as agent for the property name and fund or account level accounts are opened under the legal name of the fund or client (some older accounts may be in the firm's name as agent for the fund or client).

If the firm does provide securities related advice (such as by causing excess cash to be invested in securities) the firm will comply with the Custody Rule with respect to the affected fund or account. In such cases, the firm will engage an SEC independent audit firm to audit the financial statements for both single investor real estate accounts and multi-investor pooled real estate funds.

Audited financial statements are sent to the clients and the limited partners within 120 days of the account's fiscal year end.

Item 16. Investment Discretion

Although we do not manage securities accounts, we have discretionary authority to invest in real property and mortgage assets, according the account's or fund's governing documents. Investors in a multi-investor pooled real estate funds have no authority to place limitations on investment activities.

Individually managed real estate account clients, on the other hand, enter into an investment management agreement specifying the level of discretion they want us to have and / or imposing restrictions on our authority to enter into transactions. A number of these clients request prior notification of our intent to buy or sell a property. Some of these clients engage in a pre-approval process whereby they must authorize a proposed transaction in advance, and others can establish diversification limits on geography, property type, or strategy.

We have engaged Aetna Asset Advisers, LLC to invest cash for certain funds or accounts over which we have discretion. Under the sub-advisory agreement, Aetna has assumed day-to-day responsibility for the investment of cash pursuant to written guidelines and is paid by UBS Realty out of its fee revenue. Under this arrangement, the cash can be invested in securities.

Item 17. Voting Client Securities

The properties in which we invest typically do not have proxies attached to them. The third party sub-adviser we use to manage cash for some of our funds or clients generally does not engage in, but is not precluded from, voting proxies related to cash investments.

Item 18. Financial Information

The firm does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, nor has the firm been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Privacy Notice

We are committed to protecting the personal information that we collect about prospective, current or former advisory clients.

Information We Collect

We collect non-public personal information in connection with providing investment advisory services primarily to process requests and transactions, provide customer service, and communicate information about our products and services. Personal information, which is obtained from subscription documents and other forms, may include name(s), address, e-mail address, telephone number, date of birth, social security number or other tax identification number, bank account information, financial information and other investments in mutual funds or other investment programs managed by the firm or our affiliates (“Personal Information”).

Information Security

We limit access to Personal Information to those individuals who need to know that information in order to process transactions, and service accounts. These individuals are required to maintain and protect the confidentiality of Personal Information and to follow established procedures. We maintain physical, electronic and procedural safeguards to protect Personal Information and to comply with applicable laws and regulations.

Information We Share

We do not sell Personal Information and we use reasonable commercial efforts not to disclose it to anyone except as described here. We may share Personal Information with our affiliates to facilitate the servicing of accounts and for other business purposes, or as otherwise required or permitted by applicable law. Our affiliates are companies that are controlled by a member of a Real Estate - US entity or that control or are under common control with our firm. We may also share Personal Information with non-affiliated third parties that perform services, such as vendors that provide data or transaction processing, computer software maintenance and development, and other administrative services. When we share Personal Information with a non-affiliated third party, we will do so pursuant to a contract that includes provisions designed to ensure that the third party will uphold and maintain privacy standards when handling Personal Information. In addition to sharing information with non-affiliated third parties to facilitate the servicing of accounts and for other business purposes, we may also disclose Personal Information to non-affiliated third parties as otherwise required or permitted by applicable law. For example, we may disclose Personal Information to credit bureaus or regulatory authorities to facilitate or comply with investigations; to protect against or prevent actual or potential fraud, unauthorized transactions, claim or other liabilities; or to respond to judicial or legal process, such as subpoena requests.

Changes to Privacy Policy

Except as described in this privacy notice, we will not use Personal Information for any other purpose unless we describe how such Personal Information will be used and clients are given an opportunity to decline approval of such use of Personal Information relating to them (or affirmatively approve the use of Personal Information, if required by applicable law).

We endeavor to keep our customer files complete and accurate. Please notify your Client Service Representative or your portfolio manager if any Personal Information needs to be corrected or updated. If you have any questions or concerns about your Personal Information or this privacy notice, please contact your Client Service Representative.