

Part 2A of Form ADV: *Firm Brochure*

TGM Associates L.P.

650 Fifth Avenue
28th Floor
New York, NY 10019

Telephone: (212) 830-9310
Email: vbills@tgmassociates.com
Web Address: www.tgmassociates.com

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This brochure provides information about the qualifications and business practices of TGM Associates L.P. If you have any questions about the contents of this brochure, please contact us at (212) 830-9310 or vbills@tgmassociates.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.

Additional information about TGM Associates L.P. 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 108905.

TGM Associates L.P. is a Registered Investment Adviser. Registration as an investment adviser reflects only that a firm has registered with the United States Securities and Exchange Commission and does not imply a certain level of skill or training.

Item 2 Material Changes

We have made the following material change to our Firm Brochure:

- Item 11 has been updated to provide for additional disclosure regarding conflicts of interest.

There have been no other material changes since our last annual filing of the Firm Brochure dated March 30, 2017

This Firm Brochure, dated March 30, 2018, provides you with a summary of TGM Associates L.P.'s advisory services and fees, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item 2 is used to provide our clients with a summary of new and/or updated information; we will inform our clients of any changes to our Firm Brochure as follows:

1. Annual Update:

We are required to update certain information in our Firm Brochure at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Firm Brochure within 120 days of our FYE or we will provide you with our revised Firm Brochure that will include a summary of those changes in this Item 2.

2. Material Changes:

Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; and any other information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

3. Full Brochure Available:

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (212) 830-9310 or by email at vbills@tgmassociates.com.

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Item 4 Advisory Business

TGM Associates L.P. ("TGM") is an SEC-registered investment adviser with its principal place of business located at 650 Fifth Avenue, 28th Floor, New York, NY 10019. TGM began conducting business in 1991. Our principal owners are identified on Schedule A of Part 1 of Form ADV.

Types of Advisory Services

TGM focuses on investing in existing multifamily residential real estate in the Continental United States, providing investment management and advisory services to institutional clients, benefit plans pursuant to ERISA and state pension plans, through pooled investment vehicles (collectively, "Clients"). Members of TGM's team have worked together for over 25 years, acquiring, managing, and selling apartment properties. In connection with its asset management services, TGM may also provide related advisory services.

Tailored Advice and Investment Restrictions

TGM's assets under management are held in pooled investment vehicles. To the extent practicable, TGM may agree to tailor its advice in respect of Clients outside of these pooled investment vehicles on a Client-by-Client basis, and may agree to impose reasonable restrictions on the types of investments made on behalf of such Clients. Generally, our investment recommendations are limited to investments in multifamily properties.

Wrap Fee Programs

TGM does not participate in any wrap fee programs.

Client Assets Under Management

As of December 31, 2017, TGM's regulatory assets under management was \$1.9 billion all of which was managed on a non-discretionary basis.

Item 5 Fees and Compensation

TGM receives Asset Management Fees, Property Management Fees, and Incentive Asset Management Fees (collectively, "Advisory Fees") as consideration for providing services to its Clients.

In consideration for providing investment advisory services, TGM earns a base Asset Management Fee of up to 1% of average daily equity invested in a private fund. This Asset Management Fee is payable monthly or quarterly in arrears.

Additionally, TGM or an affiliate earns Property Management Fees for supervising the daily site level operations of the multifamily residential real estate properties owned by private funds, of up to 3.875% of collected revenues. Such fees are payable monthly or quarterly in arrears.

TGM also earns an Incentive Asset Management Fee in consideration for its asset management services of up to 20% of a specified threshold in accordance with the applicable Client agreement. These fees are paid during the relevant investment holding period or upon the liquidation of the investment.

In accordance with the terms of TGM's client agreements, payments are billed to the Client, or paid directly from the private fund accounts. Payments are made monthly or quarterly or as otherwise provided in the client agreement.

Each of TGM's Clients has an advisory agreement that specifically states how the contract can be terminated before its expiration date.

TGM is deemed to be a fiduciary to Clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TGM may only charge fees for investment advice about products for which our firm does not receive a commission.

TGM considers all fees to be negotiable. Under no circumstances does TGM require or solicit pre-payment of fees.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

As disclosed in Item 5 of this Firm Brochure, in addition to receiving Asset Management Fees and Property Management Fees, TGM accepts a performance-based fee from its Clients in the form of an Incentive Asset Management Fee. TGM earns such Incentive Asset Management Fee with respect to a Client if the returns to such Client exceed predetermined thresholds.

TGM endeavors at all times to put the interest of its Clients first as part of its fiduciary duty as a registered Investment Adviser; accordingly, TGM takes the following steps to address potential conflicts of interest:

1. TGM discloses to Clients the existence of all material conflicts of interest, including the potential for TGM and its employees to earn greater compensation from advisory Clients who pay performance-based fees and that performance-based fees may influence TGM's recommendations to the Client;
2. TGM collects, maintains and documents accurate, complete and relevant Client background information.

3. TGM's management conducts timely reviews of each Client's advisory agreement to verify that all recommendations made to a Client are suitable to that Client's specifications;
4. TGM has implemented policies and procedures for fair and consistent allocation of investment opportunities among all Client accounts;
5. TGM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients and equitable treatment of all Clients, regardless of the fee arrangement.

A Client must understand the performance-based fee method of compensation and the risks associated therewith prior to entering into an advisory agreement with TGM.

Item 7 Types of Clients

TGM provides advisory services to the following types of clients:

1. Pooled Investment Vehicles (other than investment companies and business development companies)
2. Pension and profit sharing plans
3. State or municipal government entities (including government pension plans)

Each Client must have assets under management of at least \$25,000,000, unless otherwise permitted by TGM.

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

Method of Analysis

TGM does not presently exercise discretionary authority over any of its Client's accounts. TGM makes recommendations to each Client regarding proposed real estate acquisitions, sales and financings. These recommendations are consistent with TGM's understanding of each Client's investment goals and expectations.

I. Investment Process

TGM makes recommendations that are focused for the economic buyer of large multifamily communities located in the Continental United States. TGM's management and acquisition teams review markets for changing trends and dislocations, because dislocations in market pricing are evolving. TGM adjusts its target markets, as

appropriate, within the Continental United States based on TGM's determination on market valuations and conditions.

TGM evaluates national financial markets and local factors that affect supply, demand and a community's "walk-ability" rating to target assets that it determines will likely have the most relative value. TGM focuses on markets that it determines has significant positive outlooks and for reasons that are non-pejorative to the market and/or property, may not be favored with competing investors (this limits buy side competition, which in turn allows acquisition of properties at better pricing than what would be available if there were more competitive bidders).

Factors that TGM considers when evaluating markets include the following: 1) the existence of barriers to new development, thus, we focus on markets that are constrained or semi-constrained (i.e., impediments to new construction – geographic, political, financial, etc.); 2) positive economic drivers, such as population growth at or above the national average and diversified growing economies that have a higher proportion of white collar jobs; 3) a deep pool of buyers with a propensity to rent rather than own; 4) large spread between rent levels and cost to own/carry a single family home; and 5) desirable school systems. TGM looks for opportunities where its rehab/construction and management expertise can add value. For example, properties that have significantly deferred maintenance.

TGM's proprietary property acquisition analysis strives to evaluate all multifamily properties for sale in the Continental United States that have more than 100 units. TGM typically reviews acquisitions opportunities on a weekly basis.

TGM's proprietary analysis includes a range of data points, including discussions with sales brokers, other owner operators and sellers, analysis from recent transactions, local operating experiences, discussions with national vendors, lenders, analysis of the financial and debt markets, and information obtained from various industry conferences. TGM's proprietary analysis of multi-family properties is focused to identify assets that meet the Client investment objectives, as well as to assess whether TGM should recommend changes to Client stated investment criteria.

TGM believes that its experience demonstrates that property management is most effective when closely coordinated with the asset management process. TGM's property management company is called TGM Communities. TGM Communities plays a significant role in TGM's acquisition, disposition and financing processes. TGM Communities' employees provide "real-time", local market knowledge, which may allow TGM to identify potential capital needs and related costs and to identify trends (positive and negative) earlier than information available to competing buyers that use third party property managers.

Multifamily property acquisitions available to TGM are allocated to its Clients or may be purchased by TGM or its affiliates in accordance with TGM's Allocation Policy, which is disclosed to each Client.

The Investment Committee of TGM reviews the underwriting for property acquisition opportunities, including the “best and final” offer terms that would be recommended to Clients.

TGM’s analysis includes formal and robust due diligence. The formal due diligence process generally commences after a property acquisition offer has been accepted by the property seller. Information acquired during the due diligence process is incorporated into the final economic analysis, which is reviewed by TGM’s Investment Committee and is considered in the investment recommendation process, including recommendations to modify price or other acquisition terms.

TGM incorporates its property management professionals into the acquisition due diligence process. TGM believes that the group that is primarily responsible for operating a multi-family asset after its acquisition and that has evaluated the material underwriting assumptions during the diligence process, is better positioned and can more efficiently plan the transition of the property from the seller to the TGM Client.

The typical procedures TGM performs during due diligence are as follows: TGM performs a walk-through of all apartment interiors, audits all resident lease files, conducts an exterior and common area inspection, meets with the applicable municipal departments, reviews the competitive properties’ rents, completes an evaluation of the onsite staff, analyzes the current utility billing program and areas for future economic opportunity and confirms the accuracy of the pre-due diligence revenue, operating and capital projections. Additionally, environmental and structural reports are obtained from a third party.

II. Property Monitoring

TGM provides property management, through its affiliate TGM Communities, for its Client real estate assets for specified fees and on terms that have been approved by the applicable Clients. TGM Communities is overseen by its Director of Operations with the support of TGM’s regional teams, and subject matter specialists. TGM Communities provides full service property and asset management, including property level reporting to the Client.

III. Disposition of Property

TGM believes that a strong sell discipline is an essential element of a sound investment management strategy. TGM generally uses the same market and property analysis for sell recommendations as it uses for acquisition recommendations, supplemented by the additional local market and property information that it receives from property operations, which TGM believes is one of the significant advantages of being a fully integrated operating and investment advisory company.

TGM typically, periodically provides Clients with recommendations regarding disposition of assets in each Client’s portfolio.

Risks of Fundamental Analysis

TGM's investment analysis relies on the assumption that the asset and market information gathered from publicly available sources is accurate and unbiased. While TGM is alert to indications that the information may be incorrect, there is always a risk that TGM's analysis may be compromised by inaccurate or misleading information.

Risks of Investing in Real Estate

TGM's investment strategy involves investment in real estate, and is subject to certain risks associated with the real estate industry. These risks include: (a) risks related to local and general economic conditions; (b) overbuilding; (c) fluctuations in occupancy rates; (d) increase in competition, property taxes and operating expenses; changes in applicable law; (f) environmental problems; (g) uninsured damages; (h) casualty or condemnation losses; and (i) fluctuation in interest rates. Clients should contact TGM for a more detailed description of the risks involved in an investment in accordance with the strategy utilized by TGM.

Risk of Loss

Investing in real estate and securities involves a risk of loss. Clients should be prepared to bear this loss, up to the entire amount of their investment.

Item 9 Disciplinary Information

TGM is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management.

TGM has no disclosures to make in response to Item 9.

Item 10 Other Financial Industry Activities and Affiliations

Neither TGM nor any of its management persons has registered as, or has a pending application to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

TGM Apartment Partners GP LLC, a Delaware limited liability company and an affiliate of TGM ("TGM AP GP"), serves as the general partner of a pooled investment vehicle managed by TGM. TGM AP GP does not conduct any activities

other than serving as the general partner of a pooled investment vehicle managed by TGM.

TGM AM LLC, a Delaware limited liability company and an affiliate of TGM ("TGM AM"), provides investment management services to a pooled investment vehicle managed by TGM.

Other than TGM AP GP, and TGM AM, TGM does not have any financial industry affiliations, nor does it recommend other investment advisors to Clients or receive compensation from other investment advisors.

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

TGM has adopted a written Code of Ethics to alert the officers, directors and supervised persons of TGM to their ethical and legal responsibilities with respect to securities transactions involving (a) possible conflicts of interest with Clients or (b) the possession of material, non-public information.

TGM and its personnel owe a duty of loyalty, fairness, and good faith towards TGM's Clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

TGM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. TGM's Code of Ethics also provides for oversight, enforcement and record-keeper provisions.

A copy of TGM's Code of Ethics is available to its Clients and prospective Clients, who may request a copy by email sent to vbills@tgmassociates.com, or by calling us at (212) 830-9310.

TGM AM is a relying advisor of TGM under the Umbrella Registration Rule 203A-2(b) of the Investment Advisers Act of 1940, as amended, and has adopted the same policies and procedures as TGM, including the Code of Ethics of TGM.

TGM provides, directly or through affiliates, services related to investments by private fund Clients that invest in multifamily residential real estate. TGM co-invests with TGM Clients to the extent required in the applicable agreement. TGM and its principals, officers and directors will devote as much time as they deem necessary and appropriate to manage the investments by its private fund Clients or as described in the Client agreement.

Item 12 Brokerage Practices

TGM does not use any broker-dealers for any security transactions.

TGM has nothing to disclose for this item 12.

Item 13 Review of Accounts

Reporting is specifically addressed within each Client's respective agreement. Generally, we provide annual and quarterly written performance reports, which may include but are not limited to the following:

<u>Performance Report</u>	<u>Frequency</u>
1. Combined Audited Financial Statements	Annually
2. Combined Unaudited Financial Statements	Quarterly
3. Individual Investment Level Financial Statements	Quarterly
4. Calculations of All Related Party Fees	Quarterly
5. Roll Forwards of Capital Accounts	Quarterly
6. IRRs (Combined and Individual Investment Level)	As Requested
7. Occupancy Related Information	Quarterly
8. Budgets (Combined and Individual Investment Level)	Annual
9. Cash on Cash Returns	Quarterly
10. Investor Reporting Templates	Quarterly
11. NAV (Combined and Individual Investment Level)	Quarterly

In addition to the foregoing disclosures, TGM's policy is to disclose to Clients any other material facts or conflicts of interest relating to portfolio management services when the Operating Committee determines there has been a material change in the property investment of a Client or other material event, whether or not the disclosure is required to be included in our Form ADV.

TGM generally has quarterly meetings during which various information regarding each of its Client's investments is reviewed. TGM also meets at least annually with each of its Clients to review their portfolio returns and to assess each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment, or by changes in the Client's stated investment objectives. These reviews are conducted by TGM's Operating

Committee members.

Item 14 Client Referrals and Other Compensation

TGM is required to disclose if it receives any economic benefit from any non-Client for advisory services TGM provides to its Clients, including any Client referral arrangements.

TGM has nothing to disclose for this Item 14.

Item 15 Custody

TGM has custody of assets with respect to accounts of a limited partnership or limited liability company or other pooled investment vehicles. All such entities are audited annually by a PCAOB registered independent public accountant and copies of the audited financial statements are distributed to each Client on or prior to 120 days after the fiscal year end.

Item 16 Investment Discretion

TGM offers to manage Client accounts on either a discretionary or non-discretionary basis.

Clients may engage TGM to provide discretionary asset management services, in which case TGM will acquire and manage assets on the Client's behalf, within the guidelines and limitations set forth in their advisory agreement.

Clients may amend such guidelines and limitations by amending their respective advisory agreements with TGM.

Item 17 Voting Client Securities

TGM does not invest in public securities and thus it does not vote proxies on behalf of its Clients.

Item 18 Financial Information

TGM has no additional financial circumstances to report in this Item 18. A balance sheet is not required to be provided because TGM does not require or solicit prepayment of more than \$1,200 in fees per Client more than six months in advance of services rendered.