



Item 1 – Cover Page

**Form ADV Part 2A Brochure
March 18, 2019**

APG Asset Management US Inc.

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This Brochure provides information about the qualifications and business practices of APG Asset Management US Inc. (“APG US”). If you have any questions about the contents of this Brochure, please contact us at (917) 368-3500. Currently, our Brochure may be requested free of charge by contacting the Chief Compliance Officer, Evan Gordon at (917) 368-3500 or evan.gordon@apg-am.com

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

APG US is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Additional information about APG US is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last annual update to this Brochure dated March 29 2018, we have made certain updates that may be deemed material, including updating Item 8 with respect to the Focus Equity North America group and removing references in Item 8 to the Agency Mortgage Alpha strategy, which we no longer pursue. Certain other non-material changes have also been made to this Brochure.

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Item 4 – Advisory Business

APG US has been providing investment advisory services since 1998. APG US is a subsidiary of APG Asset Management N.V. (“APG NL”), an investment adviser located in the Netherlands. APG NL is a subsidiary of APG Groep NV, which is substantially owned by Stichting Pensioenfonds ABP (“ABP”), the pension fund for Dutch government employees and other civil service employees. APG NL provides investment advisory services to ABP and other Dutch pension funds directly and/or through the Dutch pension funds’ participation in various “fondsen voor gemene rekening” (funds for the joint account of the participants or “FGRs”) sponsored and controlled by APG NL.

APG US provides investment advisory services to APG NL with respect to (i)fixed income instruments, (ii)publicly traded real estate securities, (iii) Focus Equity (investments traded by APG NL) and (iv)real estate, infrastructure, hedge funds, private equity, and other alternative investments structured as private investments. APG US’s investment advice is tailored to each portfolio’s investment objectives as set forth in client-approved investment guidelines. APG US may invest in any products approved by APG NL for the respective portfolios advised by APG US. APG NL may impose restrictions on investing in certain securities or types of securities and requires that certain investments be approved by APG NL’s Committee for Investment Proposals (CIP).

APG US does not participate in wrap fee programs.

As of December 31, 2018, APG US managed regulatory assets of \$77994194731 on a discretionary basis and \$55900698610 on a nondiscretionary basis.

APG US provides investment advisory services exclusively to APG NL. APG US is not seeking or accepting new clients.

Item 5 – Fees and Compensation

APG US does not have a fee schedule because it only provides investment advisory and administrative services to its parent company. Fees are negotiated annually to reflect reimbursement of costs plus a mark-up determined on an arm’s-length basis for transfer pricing purposes. The annual fee is billed directly to the client in arrears, generally in monthly installments.

APG US’s fees are exclusive of third-party brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client or the client-sponsored FGRs. Client may incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, transaction costs, legal fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Private funds, mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund’s

prospectus or private placement memorandum. Such charges, fees, and commissions are exclusive of and in addition to APG US's fee, and APG US does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that APG US considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

APG US's fee arrangements do not create side-by-side management conflicts between portfolios because APG US has only one client (APG NL) and charges an aggregate fee for all services provided. As set forth in Item 5, this fee is calculated on a "cost plus" basis, and not based on a share of capital gains or capital appreciation of APG US's client.

Item 7 – Types of Clients

APG US provides investment advisory services exclusively to its parent company, APG NL. APG NL provides investment advisory services to FGRs sponsored and controlled by APG NL and whose sole participants are Dutch pension funds.

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

Fixed Income Portfolios

Core Bond Plus

The Core Bond Plus strategy uses macroeconomic analysis, credit analysis, and valuation analysis to form the basis for investment decisions. Collectively, the portfolio management group evaluates whether interest rates and yield spreads provide attractive returns, based on an internal assessment of macroeconomics, historical relationships, and market conditions. The overall level of risk in the portfolio is set accordingly. Through credit research, analysts measure the health of balance sheets, cash flow, and deal structure to assess default and event risk. Through valuation analysis, portfolio managers gauge whether potential investments adequately compensate for prepayment risk, credit risk, interest rate volatility, and/or changes in market liquidity.

In a portfolio context, bottom-up issue selection is combined with top-down duration management and sector allocation in a disciplined, quantifiable, and reproducible manner. As APG US invests in a broad spectrum of fixed income sectors that convey different risks, diversification of return and alpha sources are essential elements of the investment process. Derivative transactions, including credit default swaps, may be used for hedging purposes or efficient portfolio management.

High Yield

The High Yield strategy uses intensive credit analysis, valuation analysis, industry analysis, and macroeconomic analysis to form the basis for investment decisions. A team of credit analysts measures the health of issuers' balance sheets, cash flows, and deal structures to assess potential default and event risk. Through valuation analysis, portfolio managers gauge whether potential investments adequately compensate for credit risk. Portfolio managers create a diversified portfolio by combining this bottom-up issue selection with a top-down industry allocation. Appropriate industry weightings are determined in light of internal research and assessment of macroeconomic trends. Derivative transactions, including credit default swaps, may be used for hedging purposes or efficient portfolio management.

Investing in fixed income securities involves risk of loss that clients should be prepared to bear.

The material risks involved in the fixed income strategies and security types employed include:

- a. Systemic Risk – The risk that the value of investments may decline because of economic changes or other events that affect large portions of the market. This includes changes in interest rates, inflation expectations, credit spreads, liquidity, and market volatility.
- b. Idiosyncratic Risk – The risk that an individual security underperforms relative to the market.
- c. Counterparty Risk – The risk that a counterparty to a transaction fails to meet its obligations under a mutually negotiated contract.
- d. Operational Risk – The risk of loss occurring due to inadequacies in the firm's operations, controls, or procedures.
- e. Inflation Risk – The risk that the cash flows from investments may be worth less than expected due to changes in the rate of inflation.
- f. Prepayment Risk – The risk that the repayment of principal and future cash flows of an obligation are accelerated to avoid an obligor paying a higher interest rate.
- g. Liquidity Risk – The risk that a ready market for an asset is not deep enough, or an asset cannot be traded quickly enough to avoid a loss or achieve an expected profit.

Listed Real Estate Portfolios

The Listed Real Estate strategy uses fundamental analysis to form the basis for investment decisions. The investible universe includes listed equity real estate securities, commonly known as real estate investment trusts (“REITs”) and/or real estate operating companies (“REOCs”) with assets located in the Americas. The portfolio management team analyzes economic, real estate market, and capital market trends, as well as fund flows, and surveys the investible universe (as defined by investment guidelines) to identify companies to examine in greater detail. The portfolio management team visits companies and markets regularly to conduct site tours of assets and better understand local real estate dynamics, and also considers the input of industry sources and third-party research providers to obtain independent and unbiased opinions about the companies under consideration, real estate markets, and the economy. Valuation methods employed include, but are not limited to, net asset value (NAV), price-to-cash-flow multiples, discounted cash flow and price to replacement cost. The portfolio management team derives conclusions about regional, property sector, and company-specific investments.

Investing in listed real estate securities involves risk of loss that APG US’s client should be prepared to bear. The material risks involved in this strategy include:

- a. Market Risk – The risk that the value of investments may decline because of economic changes or other events that affect large portions of the market.
- b. Issuer (Unsystematic) Risk – The company or industry specific risk that is inherent in each investment. The amount of unsystematic risk may be reduced through appropriate diversification.
- c. Counterparty Risk – The risk that a counterparty to a transaction fails to meet its obligations under a mutually negotiated contract.
- d. Operational Risk – The risk of loss occurring due to inadequacies in the firm’s operations, controls, and procedures.

Private Real Estate Portfolios

The Private Real Estate investment strategy uses quantitative analysis, which relies upon objective analysis of market conditions and asset valuation and underwriting, in addition to fundamental research, to form the basis for evaluating investment opportunities. This qualitative analysis is coupled with in-depth qualitative analysis during the due diligence on prospective investment managers. This process includes underwriting the investment managers’ historical track record, investment expertise, and operational proficiency to evaluate an investment manager’s competency in the stated investment strategy, as well as complicated governance structures and reporting requirements.

The portfolio management team identifies investment opportunities and seeks to manage risk by investing in a portfolio that is well diversified over sectors, markets, management

styles, and investment partners. Investments can be made via equity and debt through companies, funds, joint ventures, and/or co-investments. Generally, there will be a strong focus on core investments meant to deliver income and growth from stabilized institutional-quality real estate; however, there can be additional investment strategies that are more opportunistic in nature and employ a greater level of financial and/or operational risk (e.g. higher leverage, ground-up development). All proposed private real estate investments are subject to approval by the APG NL CIP.

Investing in private real estate strategies involves risk of loss that APG US's client should be prepared to bear. The material risks involved in this strategy include:

- a. Liquidity Risk – Private real estate investments are rather illiquid due to the complexities, transactions costs, and time horizons associated with trading assets or portfolios. There is no efficient trading market for these positions.
- b. Credit Risk – The risk that tenants default on their lease obligations, by failing to make rental payments in a timely manner.
- c. Market Risk – The risk that the value of investments may decline because of economic changes or other events that affect large portions of the market.
- d. Refinancing Risk – The risk of loss occurring due to the inability to refinance property level mortgage debt as it becomes due and payable.
- e. Operational Risk – The risk of loss occurring due to inadequacies in investment partners' operations, controls, or procedures.
- f. Currency Risk – The risk that returns on investments outside the US could be affected by currency fluctuations.

Infrastructure Portfolios

The Infrastructure investment strategy focuses on private infrastructure businesses and assets. It uses quantitative analysis, which relies upon objective analysis of market conditions and asset valuation and underwriting, in addition to fundamental research, to form the basis for evaluating investment opportunities. This is coupled with in-depth qualitative analysis during the due diligence on prospective investee companies and investment managers. This process includes underwriting the investment managers'/operating partners' historical track record, investment expertise, and operational proficiency to evaluate their competency in the stated investment strategy, as well as the risk/return profile of investee companies and investment strategies and also governance structures and reporting requirements.

The portfolio management team identifies investment opportunities and seeks to manage risk by investing in a portfolio that is well diversified over risk/return profiles, sectors, markets, and investment partners. Investments can be made via equity and debt through

investee companies, funds, joint ventures, and/or co-investments. Generally, there will be a strong focus on core investments, meant to deliver income and growth from stabilized institutional-quality infrastructure assets; however, there can be additional investment strategies that are more opportunistic in nature and employ a greater level of financial and/or operational risk (e.g. higher leverage, greenfield assets with construction scope). All proposed infrastructure investments are subject to approval by the APG NL CIP.

Investing in private infrastructure strategies involves risk of loss that client should be prepared to bear. The material risks involved in this strategy include:

- a. Liquidity Risk – Private infrastructure investments are rather illiquid due to the complexities, transactions costs and time horizons associated with trading assets or portfolios. There is no efficient trading market for these positions.
- b. Credit Risk – The risk that a counterparty cannot fulfill its obligation, which could cause the investment to suffer a financial loss.
- c. Market Risk – The risk that the value of investments may decline because of economic changes or other events that affect large portions of the market.
- d. Financing Risk – The risk of a loss occurring due to market interest rate movements, the inability to refinance, or the inability by an investee company to fulfill its obligations towards providers of debt.
- e. Operational Risk – The risk of loss occurring due to inadequacies in investment partners' operations, controls, or procedures.
- f. Currency Risk – The risk that returns on investments outside the US could be affected by currency fluctuations.

Hedge Funds Portfolio

The Hedge Fund investment strategy is implemented through third-party managers proposed by New Holland Capital, LLC ("NHC"). NHC provides this service pursuant to an exclusive non-discretionary investment management agreement with APG US's client, APG NL and certain other entities managed by APG NL. APG US conducts due diligence, alongside NHC, on all proposed hedge fund managers. All proposed hedge fund investments are subject to approval by the APG NL CIP.

Hedge Fund investments involve risk of loss that clients should be prepared to bear. The material risks involved in this strategy include:

- a. Liquidity risk – The risk that underlying hedge fund managers may impose limitations on redemptions, assign a majority of the hedge funds' assets to side pockets, or pay out redemptions in-kind. Consequently, APG US's client may not be able to liquidate all or a portion of its hedge fund investments for prolonged periods of time.

b. Control risk – The risk that once an investment in a hedge fund is made, clients cannot control the hedge fund manager’s choice of investments or investment decisions.

c. Diversification risk – Because the strategy is implemented by allocating funds to dozens of managers who make independent trading decisions, it is possible that one or more of such managers may, at any time, take investment positions that are opposite of positions taken by other managers. It is also possible that the underlying managers may, on occasion be competing with each other for similar positions at the same time, and the resulting lack of diversification may subject client’s investments to more rapid changes in value than would be the case if assets were more widely diversified.

d. Transparency risk – The risk that APG US or NHC may not be aware of underlying managers’ deviations from investment strategies or guidelines, investment style drift, regulatory violations, or fraud.

Private Equity Portfolio

The Private Equity investment strategy is implemented primarily through investments in private equity co-mingled funds, the managers of which are selected by an in-house team.

APG US conducts due diligence on private equity fund managers with an evaluation of the investment managers’ historical track record, investment expertise, strategy, and team stability to evaluate the managers’ competence and ability to record and report upon their performance.

The portfolio managers seek to manage risk by diversifying over vintage year, geography, style, and stage of investing. In addition to primary fund investing, there is also potential for secondary purchases of partnership interests and co-investments directly into portfolio companies. All proposed private equity fund investments are subject to approval by the APG NL CIP and proposed private equity co-investments are subject to approval by the APG US Private Equity Co-Investment Committee.

Investing in private equity strategies involves risk of loss that the clients should be prepared to bear.

The material risks involved in this strategy include:

a. Liquidity risk – Private equity investments are illiquid due to the complexities, transaction costs, and time horizons associated with trading assets or portfolios. There is a secondary market but each secondary transaction is privately negotiated and, hence, not an efficient market place for trading positions.

b. Credit Risk – Underlying portfolio companies within a private equity fund are often highly leveraged and there is risk of default if the company’s performance does not generate significant cash flow to meet its debt obligations.

c. Market Risk – The risk that the value of investments may decline because of economic changes or other events that affect large portions of the market.

d. Refinancing Risk – The risk that underlying portfolio companies may not be able to achieve a refinancing when their debt becomes due.

e. Operational Risk – The risk of loss due to inadequacies in the underlying companies' operations, controls and procedures.

f. Currency Risk – The risk that returns on investments outside of the US could be affected by currency fluctuations.

g. Control Risk – The risk that once an investment in a private equity fund is made, the client cannot control the private equity manager's choice of investments or investment decisions.

h. Transparency Risk – The risk that APG US may not be aware of underlying managers' deviations from investment strategies or guidelines, investment style drift, regulatory violations, or fraud.

Focus Equities North America

In 2019, APG NL's Focus Equities team will launch a North American portfolio to complement its European portfolio. This fund will be managed by APG NL and traded out of the Netherlands. The intention of the Focus Equities team is to be a passive investor in public companies and to hold average company stakes of approximately 5%. It is anticipated that certain APG US investment personnel will provide advice to APG NL in connection with the management of Focus Equities North America.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to clients' evaluation of the investment advisers or the integrity of the advisers' management. APG US has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

APG US provides investment advisory services exclusively to APG NL advised portfolios. APG US does not believe that this relationship creates a conflict of interests for APG NL or for APG NL advised portfolios.

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

APG US has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider

trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

The Code of Ethics (the “Code”) is designed to assure that the personal securities transactions, activities, and interests of the employees of APG US will not interfere with (i) making decisions in the best interest of APG US’s client and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not interfere materially with the best interest of APG US’s client. In addition, the Code requires pre-clearance of many transactions, and generally prohibits trading in securities that are held by portfolios managed by APG US, with the exception of Treasury securities or if the supervised person is granted a written hardship waiver by the Chief Compliance Officer. Employee trading is continually monitored under the Code of Ethics to reasonably prevent and detect conflicts of interests between APG US and its client.

All supervised persons at APG US must acknowledge the terms of the Code of Ethics, both within 10 days of hire and annually, or as necessary when material amendments to the Code are adopted. APG US’s client may request a copy of the Code of Ethics by contacting the firm’s Chief Compliance Officer, Evan Gordon.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with APG US’s obligation to seek best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. APG US will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Due to the fact that APG US is indirectly substantially owned by a Dutch pension fund (ABP) that has a significant ownership interest in most of the portfolios advised by APG US, it is very likely that APG US will also recommend or effect for other accounts the purchase or sale of securities in which ABP holds a direct or indirect interest, when consistent with investment guidelines and objectives. Similarly, APG US’s affiliates in the Netherlands are also likely to recommend or effect for other accounts the purchase or sale of securities in which ABP holds a direct or indirect interest.

It is APG US’s policy that the firm will not effect any principal transactions unless in compliance with the Investment Advisers Act of 1940 or guidance provided in SEC Division of Investment Management No-Action Letters. APG US’s affiliates in the Netherlands may effect principal transactions in the Netherlands in compliance with applicable Dutch regulations. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from or sells any

security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

Item 12 – Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Brokers are selected based on quantitative factors (price and/or commission rates) and qualitative factors such as execution capability, financial responsibility, reputation, responsiveness, value of research provided, and the ability to engage in block transactions with attendant volume discounts. Counterparty exposure limits may also be a factor in broker selection. Trades may only be executed through brokers on APG US's approved broker list.

Research and Other Soft Dollar Benefits

APG US may enter into Commission Sharing Arrangements and/or pay brokers higher than the lowest commission available to compensate brokers for providing research products or services (“soft dollars”). Because investment advisers that obtain products or services with soft dollars do not have to pay for those services with their own funds, such arrangements may create an incentive for investment advisers to disregard their best execution responsibilities in order to earn credits for “soft dollar” products or services. Section 28(e) of the Securities Exchange Act of 1934 addresses this conflict by allowing investment advisers to pay higher commissions than are otherwise available to obtain certain brokerage and research services, if those services provide assistance to the investment adviser in carrying out its investment decision-making responsibilities.

APG US may obtain proprietary or third-party research related to the market for securities or advice on market color. Soft dollar benefits may not necessarily be proportionately allocated and may not be limited to those portfolios that may have generated a particular benefit.

To ensure that the amount of commissions paid is reasonable in relation to the value of the brokerage and research services received, portfolio managers and traders estimate, document, and review the quality of the services received on an ongoing basis versus the level of commissions paid to each broker that provides research services.

In order to comply with MiFID II and APG NL guidelines, APG NL may, if possible, purchase certain research services, as defined for purposes of MiFID II, on behalf of APG US.

Brokerage for Client Referrals

APG US does not receive client referrals from brokers.

Directed Brokerage

The client may direct APG US to use certain brokers or counterparties, in which case it is the client's responsibility to evaluate such brokers or counterparties. APG US will seek to obtain best execution while complying with client instructions to the extent possible.

Aggregation of Trades

APG US may aggregate portfolio trades if consistent with best execution and the needs of each portfolio participating in the aggregated trade.

Item 13 – Review of Accounts

Portfolio Managers monitor liquid portfolios daily using reports generated by APG US's trade order management or portfolio systems. Illiquid portfolios are reviewed on an ongoing basis as necessary.

APG US communicates with its client frequently, often on a daily basis. In addition, APG US provides its client written monthly reports, which include performance and portfolio composition information.

Item 14 – Client Referrals and Other Compensation

APG US does not receive an economic benefit from anyone who is not a client as a result of services provided to the client. APG US does not compensate anyone directly or indirectly for client referrals.

Item 15 – Custody

APG US's client funds and securities are held by Qualified Custodians pursuant to agreements negotiated by its client, APG NL. Accordingly, the client has full transparency of its holdings at any time. APG NL should carefully review account statements received from Qualified Custodians with respect to any account over which APG US may be deemed to have custody of client funds and securities.

Item 16 – Investment Discretion

APG US has discretionary authority to select the identity and amount of securities to be bought or sold, with the exception of illiquid investments in alternative strategies, certain OTC derivative transactions, and certain other investments that require prior approval from the client's Capital Markets Investment Committee or Committee for Investment Proposals. APG US observes client approved investment policies, limitations and restrictions when selecting securities and/or determining investment amounts. Investment guidelines and restrictions are provided to APG US in writing.

Item 17 – Voting Client Securities

APG NL has retained a proxy advisory firm to provide proxy voting advice and administration services in accordance with APG NL's proxy voting policies. In the event that APG NL would seek advice from APG US regarding proxy voting, the relevant portfolio manager is required to provide such advice consistent with the best interests of the client. All advice regarding proxy voting must be documented and maintained for six years.

Item 18 – Financial Information

APG US does not require or solicit prepayment of fees.

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. APG US has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the client, and has not been the subject of a bankruptcy proceeding.