

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

**Koll Bren Schreiber Realty Advisors, Inc.**

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This brochure provides information about the qualifications and business practices of Koll Bren Schreiber Realty Advisors, Inc. (“KBSRA Inc”). If you have any questions about the contents of this brochure, please contact KBSRA Inc at (949) 417-6514 or Rachel Umipig at [rumipig@kbs.com](mailto:rumipig@kbs.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 KBSRA Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

While KBSRA Inc. is a registered investment advisor with the SEC, that registration does not imply a certain level of skill or training.

## **Item 2 Material Changes**

This brochure was last updated March 30, 2023. There have been no material changes made to this Brochure since the last update.

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

Founded by Donald M. Koll, Peter Bren and Charles J. Schreiber, Jr. in 1992, KBSRA Inc, a private real estate equity company, was formed to buy commercial real estate and structured debt investments on behalf of institutional and pension fund clients. KBSRA Inc also originates and acquires debt positions collateralized by stabilized and value-added real properties.

KBSRA Inc provides acquisition, disposition, asset management and consulting services to corporations and institutional investors in connection with real estate assets and real estate-related investments including, on a limited basis, real estate securities. KBSRA Inc provides these services to pension and profit-sharing plans through its management of real estate limited partnerships established to facilitate the investment by such clients directly or indirectly in real estate and related investments. In certain cases, such limited partnerships may invest through a real estate investment trust.

Acquisition services include identifying and evaluating for client investment various real estate assets and real estate-related investments including, on a limited basis, real estate securities including but not limited to: direct investments in real estate, real estate limited partnership interests, real estate investment trusts, group trusts and other collective real estate investment vehicles, loans secured by interests in real estate, real property equities, and mortgage-backed securities. In this capacity, KBSRA Inc serves as investment adviser to public and corporate pension funds and/or certain investment vehicles established on their behalf.

KBSRA Inc is indirectly owned by Charles Jay Schreiber, Jr., and the Estate of Peter Milton Bren. Charles Jay Schreiber, Jr. has the authority to control KBSRA Inc and, Chairman and President.

Mr. Schreiber graduated from the University of Southern California with a bachelor's degree in finance with an emphasis in Real Estate. During his four years at USC, he did graduate work in the then newly formed Real Estate Department in the USC Graduate School of Business.

Mr. Schreiber has been involved in real estate development, management, acquisition, disposition, and financing for more than 40 years and with the acquisition, origination, management, disposition, and financing of real estate-related debt investments for more than 30 years. Prior to forming the first KBS-affiliated investment advisor in 1992, he served as the Executive Vice President of Koll Investment Management Services and Executive Vice President of Acquisitions/Dispositions for The Koll Company. During the mid-1970s through the 1980s, he was Founder and President of Pacific Development Company and was previously Senior Vice President/Southern California Regional Manager of Ashwill-Burke Commercial Brokerage. Mr. Schreiber is the Chief Executive Officer of KBS Capital Advisors LLC and is a principal of Koll Bren Schreiber Realty Advisors, Inc.

He is currently an Executive Board Member for the USC Lusk Center for Real Estate at the University of Southern California Marshall School of Business/School of Policy, Planning and Development and serves as a member of the Executive Committee for the Public Non-Listed REIT Council for the National Association of Real Estate Investment Trusts. He is also a member of the National Council of Real Estate Investment Fiduciaries.

Mr. Schreiber has served as a member of the board of directors and executive committee of The Irvine Company since August 2016, and since December 2016, Mr. Schreiber has served on the Board of Trustees of The Irvine Company.

KBSRA Inc does not participate in any Wrap Programs

As of 12/31/2023, KBSRA Inc managed client assets of approximately \$164,076 on a non-discretionary basis. A substantial majority of the assets managed by KBSRA Inc are invested in real estate property assets with the remainder of these assets being invested in other real estate-related investments, including, but not limited to, real estate securities.

Currently, KBSRA Inc does not expect to pursue new real estate and real estate-related investment acquisitions on behalf of its clients.

## **Item 5 Fees and Compensation**

KBSRA Inc may receive from its clients some or all of the following fees in connection with its advisory and real estate asset management services:

Acquisition fees for services related to the sourcing, underwriting, and negotiating of real property investments and, in certain cases, loans and other debt secured by real estate, are typically based on a percentage of acquisition cost (or funding amount).

Asset management fees for investment advisory services relating to real estate properties and other real estate-related investments (including real estate securities) held by a client are equal to a percentage of average monthly net asset value or the cost of investments acquired, payable quarterly. The percentage may scale downward at various break points as net asset value increases. Generally, these asset management fees are 75 basis points per year, depending on the size and complexity of a client's portfolio. KBSRA Inc may negotiate separate asset management fees with each client. The fees, accordingly, may vary for each client and/or investment vehicle established and managed for clients.

In certain cases, KBSRA Inc may have the ability to receive performance-based fees from its clients. This may constitute a fee arrangement that would create an incentive for KBSRA Inc to make investments that are riskier or more speculative than would be in the case in the absence of a "performance based" fee.

The use of the performance component is intended to comply with the provisions of Rule 205-3 under the Investment Advisers Act of 1940 relating to incentive compensation arrangements. This Rule imposes certain requirements relating to the calculation methodology for a performance fee and the imposition of certain net worth or assets-under management standards for clients with which the fee is calculated.

## **Item 6 Performance-based Fees and Side-by-side Management**

As noted in Item 5 above, certain clients may pay KBSRA Inc performance-based fees.

Because of the different fee arrangements in place for its clients, including its receipt of performance-based fees from some clients and not from others, KBSRA Inc may have an incentive to favor clients that pay performance-based fees over those that do not. This incentive could, for example, affect its decision to invest in certain real estate assets or real estate-related investments (including real estate securities) for some clients and not for others if it believes the transaction will be profitable (or to allocate a greater portion of a limited investment opportunity to such clients' accounts), or to engage in cross trades between client accounts.

To address these conflicts, KBSRA Inc's policies and procedures seek to provide that investment decisions are made without consideration of its economic interests, and instead are made in accordance with its fiduciary duties to all clients. It is the policy of KBSRA Inc that investment decisions are to be made consistent with the investment objectives, guidelines, and restrictions of clients and those investments are to be allocated fairly and equitably over time among clients, taking into consideration the objectives, restrictions, investment strategy, asset allocation and benchmarks of each client. As a general matter, KBSRA Inc and its affiliates generally do not recommend the same investment in the same asset or investment opportunity for two or more clients of KBSRA Inc or its affiliates at the same time. Given cash constraints and the amount of time often required to "close" on certain recommended investments, KBSRA Inc expects that determinations regarding which client will invest into a particular asset or investment opportunity will arise somewhat infrequently. Nevertheless, in accordance with its duties under the Advisers Act, the policy of KBSRA Inc is to allocate specific investment opportunities which may be suitable for one or more clients on a fair and equitable basis over time.

When deciding whether to allocate a limited investment opportunity to any client of, in their sole and absolute discretion, KBSRA Inc and its affiliates shall seek to determine the client for which the investment opportunity is most suitable based on the investment objectives and other criteria for each client. Some of the factors considered are: (i) the investment objectives and criteria of each client; (ii) the cash requirements of each client; (iii) the effect of the investment on the diversification of each client's portfolio; (iv) the anticipated cash flow of the property or asset to be acquired; (v) the income tax effects of the purchase on each client; (vi) the size of the investment; and (vii) the amount of funds available to each client and the length of time that such funds have been available for investment.

KBSRA Inc's receipt of performance fees from certain clients may incentivize it to make investments that are riskier or more speculative than it would make if it did not receive performance fees.

KBSRA Inc and its affiliates sponsor or manage other investment funds and managed accounts, some of which have objectives that are similar to, or which overlap with, those

of its clients. Additionally, KBSRA Inc and its affiliates may own interests in those investments' funds and managed accounts. In certain circumstances, particularly when KBSRA Inc and its affiliates sponsor a new product or platform (because KBSRA Inc and its affiliates may provide the initial seed money), such product or platform may be wholly or principally owned by KBSRA Inc and its affiliates. KBSRA Inc ownership interest in these accounts may give it an incentive to favor these accounts over other client accounts.



### **Item 7 Types of Clients**

The types of clients to whom KBSRA Inc generally provides investment advice are institutional clients, such as pension funds, each of whom may invest through real estate limited partnerships or real estate investment trusts.

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

KBSRA Inc provides asset management services and investment advisory services in respect of the following types of investments: direct investments in real estate, real estate limited partnership interests, real estate investment trusts, group trusts and other collective real estate investment vehicles, loans secured by interests in real estate, real property equities, and mortgage-backed securities.

Investment analysis methods will include internally and externally prepared appraisals/valuations of real property assets to include consideration of market conditions and an asset's fit in the client's portfolio, as determined by the client.

Sources of information will also include KBSRA Inc's evaluation of real estate markets and pricing trends often using data and analytical techniques based upon research derived from major national real estate marketing and brokerage firms.

KBSRA Inc's acquisition team identifies opportunities in real estate assets and related investments by focusing on selective regions and submarkets that it believes have an ability to withstand fluctuating economic cycles over time. KBSRA Inc is particularly sensitive to identifying and seeking to avoid areas and markets that it believes are most likely to experience overbuilding and weak employment growth. The firm seeks to acquire on behalf of client's office, industrial, retail, and multi-family assets, which it believes offer the potential for high relative returns in any market situation. KBSRA Inc has a streamlined acquisition submittal review process that it believes promotes a quick response to investment opportunities that it has identified. The major source of KBSRA Inc's acquisitions for its clients comes from a combination of direct submittals through institutional seller relationships, national brokerage relationships and through personal relationships with sellers in various markets.

As part of each investment decision, KBSRA Inc establishes a target sale date for every asset that it acquires. KBSRA Inc employs not only opportunistic buying techniques but also opportunistic selling strategies. In that regard, KBSRA Inc may seek to sell assets on behalf of its clients earlier than the anticipated sale date when an opportunity arises to exceed the return projections set forth in the original business plan of an asset.

Risk management is a fundamental principle in the KBSRA Inc investment management process. The firm's asset management and underwriting groups utilize a system of checks and balances, including Asset Plan Reviews (APRs), which are reviewed continually by senior management. This review process seeks to ensure that situations are detected and resolved before they develop into significant issues.

The Asset Plan Review for every asset under management is monitored and updated monthly and linked directly into proprietary portfolio management reports and tracking tools. This system provides "real time" operational and financial data across all KBSRA

Inc portfolios, which is instrumental in making acquisition, disposition, leasing, financing, and cash management decisions. It is also highly useful in monitoring potential risks and deviations from the original investment plan. Each month, variances to budget and original plan are reviewed and evaluated so that revised operational strategies can be employed, if necessary.

Additionally, a critical part of this process is ongoing communications with clients throughout the investment cycle. Timely active communication alerts clients to both positive and negative changes that develop.

Investing in real estate assets and real estate-related investments (including real estate securities) or any type of investment, involves risk of loss that clients should be prepared to bear.

The following are some of the material risks associated with the various real estate investments recommended by KBSRA Inc to its clients:

- Economic, market and regulatory changes may impact the real estate market generally and may decrease the value of the investments acquired for clients;
- The investment returns and cash flow associated with investments in real estate properties are dependent on the ability of tenants to pay rent. To the extent that tenant's default, terminate their leases or are significantly impacted by certain outside economic factors, the net income associated with such real estate properties may be adversely affected;
- Competition in the market from third parties in acquiring properties or other real estate-related investments may reduce the profitability of such investments;
- The value of investments recommended in real estate loans or securities may be adversely affected by fluctuations in interest rates;
- The mortgage loans recommended and the value of mortgage loans underlying the mortgage securities recommended are subject to delinquency, foreclosure, and loss, which could result in losses to clients;
- Investments recommended in subordinated loans and subordinated mortgage-backed securities may be subject to losses;
- In addition to being subject to the risks associated with mortgage loans, the commercial mortgage-backed securities recommended for investment are subject to the risks of the securitization process;
- Some or all the investments recommended in real estate-related securities and loans may be illiquid and, thus, may be particularly vulnerable to changes in economic and other conditions;
- Prepayments can adversely affect the yields on the real estate-related investments recommended to clients.

In addition to the foregoing real estate-related risks, KBSRA Inc's clients may be exposed to other risks associated with certain inherent or potential conflicts of interest raised by KBSRA Inc's ownership structure and the investment activities engaged in by its affiliates, which clients should consider. These risks include, without limitation:

KBSRA Inc faces certain conflicts of interest with its affiliates, which are primarily owned by certain of KBSRA Inc's principal owners and/or certain of its key investment professionals, caused by the compensation arrangements in place with KBSRA Inc's clients on the one hand and the clients of its affiliates on the other. Such conflicts may give KBSRA Inc's principal owners and/or key investment professionals an incentive to favor certain client accounts over others to the extent that the fee arrangements with such clients are more beneficial.

KBSRA Inc's affiliates sponsor or manage other investment funds and accounts, some of which have objectives that are similar to, or which overlap with, those of KBSRA Inc's clients. As a result, KBSRA Inc's clients and such other similar investment funds and accounts could compete for certain limited investment opportunities analyzed by KBSRA Inc's investment professionals. To the extent that these investment opportunities are not allocated to KBSRA Inc's clients, the performance of such clients' investment portfolios may be adversely affected. Conversely, the investment objectives and/or investment strategies employed by KBSRA Inc's affiliates on behalf of certain clients could conflict with the transactions and strategies employed by KBSRA Inc on behalf of its clients, which may affect the prices and availability of the real estate investments in which such clients invest; and

KBSRA Inc's investment professionals who provide investment advice to other investment funds and accounts face competing demands for their time which may have an adverse effect on KBSRA Inc's clients.

**The preceding discussion of the risks (i) associated with investments in real estate and real estate-related investments and (ii) related to KBSRA Inc.'s structure and the investment activities of its affiliates is not intended to be exhaustive.**

Despite the aforementioned potential conflicts, KBSRA Inc and its personnel have both legal and fiduciary obligations as prescribed by the respective client's partnership and/or operating agreements and applicable law. Advisory personnel are required to allocate sufficient time in which to discharge these responsibilities.

## **Item 9 Disciplinary Information**

In February 2022, we discovered that our Chief Audit Executive of one of our affiliates, KBS Capital Advisors, LLC (“KBSCA LLC”), had entered arrangements with certain vendors that we believe either overcharged one or more of KBS’ publicly registered, non-traded real estate investment trusts (“REIT’s”) or their affiliates for the services performed or charged for services that were never performed. As we began to inquire into the matter, the Chief Audit Executive resigned.

Upon discovery of this matter, our management informed the respective REITs’ audit committee and external auditor and the REITs’ audit committees have initiated an independent investigation, which is being conducted with the assistance of independent counsel and an independent forensic accounting firm.

Concurrently with informing the respective REIT’s, we also initiated a separate independent investigation, which is also being conducted with the assistance of independent counsel and an independent forensic accounting firm.

Subject to these ongoing investigations, we believe that between 2011 and 2021, certain vendors billed for services which were either overcharged or which were never performed, that such vendors were in turn making payments to the individual, and that no other of our officers or employees participated in the misconduct.

In light of the discovery of the misconduct by the individual and certain vendors, we are working to enhance related controls and procedures. More detailed disclosure as it relates to the potential impact to each applicable REIT has been provided in such entity’s 10-K filing.

We have agreed to reimburse the affected REITs for any amounts inappropriately charged to them, and for the costs the REITs incur in the joint audit committees’ investigation, in each case regardless of whether any such amounts are recoverable from either the vendors or the individual. Further information about the reimbursement of such amounts is provided in each affected REIT’s (KBS Real Estate Investment Trust II, Inc., KBS Real Estate Investment Trust III, Inc., and KBS Growth & Income REIT, Inc.) 10-Q filing for period ending June 30, 2022.

In August 2023, former Chief Audit Executive of KBSCA LLC pleaded guilty to wire fraud.

On March 7, 2024, former Chief Audit Executive of KBSCA LLC was sentenced by United States District Judge Cormac J. Carney to 33 months in federal prison for embezzlement and ordered to pay \$2.7 million in restitution.

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

Two of KBSRA Inc's affiliates, KBS Realty Advisors, LLC ("KBSRA LLC") and KBS Capital Advisors, LLC ("KBSCA LLC") and, collectively, with KBSRA LLC, the "Investment Adviser Affiliates"), are each registered investment advisers. KBSCA LLC is the exclusive external advisor to publicly registered, non-traded real estate investment trusts (the "KBS REITs") which are sponsored and managed by its affiliates and affiliates of KBSRA Inc. KBSRA LLC provides real estate asset management and advisory services to corporations and institutional investors including pension plans and sovereign wealth funds. Like KBSRA Inc, the Investment Adviser Affiliates also provide real estate asset management and advisory services in connection with real estate assets and real estate-related investments including certain real estate-related securities. As mentioned in Item 8 above, the Investment Adviser Affiliates are substantially owned and managed by certain of KBSRA Inc's principal owners and/or certain of its key investment professionals and certain of the same investment professionals that conduct the advisory activities for KBSRA Inc also perform the same or similar functions in connection with their duties in respect of the Investment Adviser Affiliates. Furthermore, the Investment Adviser Affiliates sponsor and manage other investment funds and accounts which may have the same or similar investment objectives and strategies to those of KBSRA Inc's clients. As a result, to the extent that the accounts or investment funds managed by the Investment Adviser Affiliates have compensation arrangements in place that are more beneficial, there is a potential conflict that KBSRA Inc's principal owners and/or key investment professionals have an incentive to favor certain higher paying client accounts over the accounts of KBSRA Inc's clients when allocating limited investment opportunities. Please refer to Items 6 and 8 above for a description of how KBSRA Inc and its affiliates attempt to address certain conflicts raised by its ownership structure.

KBSRA Inc's broker-dealer affiliate is KBS Capital Markets Group LLC ("KBS Capital Markets"), a registered broker-dealer with the SEC and is also a member of FINRA in such capacity. KBS Capital Markets serves as the dealer manager in connection with the offering of shares in the KBS REITs managed by KBSCA LLC.

KBS Asia Partners Pte Ltd. is the sponsor of Prime US REIT, a public offering on the Singapore Exchange Securities ("SGX-ST") to residents outside of the United States pursuant to Regulation S. KBSRA Inc's affiliate KBSRA LLC serves as the U.S. Asset Manager.

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

KBSRA Inc has adopted a code of ethics (the “Code”) that is applicable to all employees of KBSRA Inc. The Code contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients;
- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Place limitations on personal trading by employees and impose reporting obligations with respect to employee personal trading except for certain types of securities;
- Impose limitations on the giving or receiving of gifts;
- Restrict employees’ outside business activities; and
- Prohibit disclosure of confidential information relating to KBSRA Inc, its clients and their investment activity.

In addition, the Code defines material, non-public information, prohibits the use of such information for client or personal gain and sets forth the responsibilities of all employees relative to insider trading. All principals and employees of KBSRA Inc must agree to comply with the Code upon employment and must certify annually that they have read and understand the Code and have complied with it. A copy of the Code will be provided to any client or prospective client upon request.

Pursuant to the Code, as a general matter, KBSRA Inc employees may not trade in any security for their own accounts until all active client purchases and sales of the same securities have taken place.

KBSRA Inc does not, as a general practice, buy or sell securities for its own investment account, although the principals and employees of KBSRA Inc may do so, either individually or as a group (such as through an investment partnership). KBSRA Inc does not prohibit any of its principals or employees from purchasing or selling for their own accounts securities that may be recommended or held by KBSRA Inc’s clients or from taking investment positions that are different from or opposite to investments recommended or held by such clients. To address potential conflicts of interest posed by the aforementioned personal trading activity, KBSRA Inc maintains the Code, as described above. The Code requires KBSRA Inc’s principals or employees who have access to client recommendations or client positions (“access persons”) to periodically report their personal securities transactions and holdings to its Chief Compliance Officer (or his/her designee). In this way, KBSRA Inc is able to monitor and identify personal trading activity that might present a conflict of interest.

## **Item 12 Brokerage Practices**

As described above, KBSRA Inc primarily provides real estate asset management and advisory services to its clients in respect of direct investments into real property assets and real estate-related investments including, to a limited extent, certain real estate securities. In the event that KBSRA Inc recommends or trades in securities on behalf of its clients, such securities are typically not publicly traded and/or are purchased from dealer inventories. Therefore, while KBSRA Inc often has discretion to choose brokers and/or dealers through whom transactions for clients may be executed, the broker-dealer selection process is not the same as it would be for exchange-traded securities. Nevertheless, KBSRA Inc seeks to obtain quality execution for securities transactions at favorable prices and at competitive rates or spreads through brokers and dealers who in KBSRA Inc's opinion are financially responsible.

In connection with KBSRA Inc's clients' investments in real estate assets, such clients frequently pay commissions to real estate brokers/dealers for purchases, leasing, and sales of real estate assets.

KBSRA Inc does not pay commissions to broker/dealers for soliciting and/or placing clients.

KBSRA Inc has no agreements with brokers for a fixed dollar commission commitment in return for research services from a third-party research provider.



### **Item 13 Review of Accounts**

Each client's portfolio is reviewed by Senior Management, Asset Managers, Financial Analysts and Fund Accounting Teams to determine conformity with investment objectives, guidelines, and restrictions for the account. These reviews take place on a monthly basis, or more frequently as deemed appropriate, taking into account revisions in client objectives, material movement in the market and other like and unlike factors. KBSRA Inc's investment committee will review and consider reports of each client no less frequently than quarterly.

Periodic detailed reports are prepared for all clients. Not all of the following reports are specific to all clients; however, examples of the types of reports which clients could expect may include, but are not limited to, the following:

1. *Property Level Balance Sheets and Operating Statements*

Transactions in underlying investments

2. *Property Level Statements of Cash Flow Cash*

Activity in underlying investments

3. *Notes to Financial Statements*

Commitments to underlying investments

4. *Summary of Invested Assets*

Schedule of underlying investments

5. *Property Level Financial Statements / Narrative Discussions*

Valuation of underlying investments

6. *Tables and Narrative Discussions*

Industry standard data for the underlying investments

7. *Cash Basis Returns / Current Value Returns Compared to NCREIF Standards*

Gross and net performance by underlying investment, sub-asset class, geography, vintage year etc., using a broad list of industry standard metrics

8. *Consolidated Financial Statements*

Account summary or aggregate reporting

9. *Portfolio Level Bank Account Activity*

Account cash activity, including fees and expenses

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

Other than as described in Item 12, Brokerage Practices, above, there is no economic benefit or compensation paid to anyone for providing investment advice or other advisory services to its clients.

## **Item 15 Custody**

Registered investment advisers with actual or constructive custody or possession of client funds or securities are required to comply with Rule 206(4)-2 under the Advisers Act (the “custody rule”). Although KBSRA Inc generally does not have custody over client securities, KBSRA Inc may have technical custody of certain types of privately-offered real estate securities (e.g., interests in limited partnerships, limited liability companies or other private companies) by maintaining physical possession of documentation evidencing such securities. In addition, KBSRA Inc is deemed to have custody over its clients’ cash and securities by virtue of the fact that affiliates of KBSRA Inc serve as general partner to the limited partnerships established to facilitate the investment by its clients in real estate and real estate-related investments. Even though KBSRA Inc is deemed to have custody over client cash and securities, it is exempt from many of the provisions of the custody rule because the limited partnership investment vehicles established to facilitate investment by each of its clients are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent accountant and the audited financial statements are distributed to limited partners within 120 days of the end of each limited partnership’s fiscal year.

Except as is permitted by the custody rule, client securities generally are held in separate accounts in the client’s name with registered broker-dealers and/or banks (i.e., qualified custodians) and all client cash is maintained in separate accounts with FDIC-insured banks.

All clients should receive, at least quarterly, account statements from the broker-dealer, bank, or other qualified custodian that maintains its cash and/or securities. Clients are urged to compare the statements received from their custodians with any statements they may receive from KBSRA Inc. Statements that KBSRA Inc provides clients may vary from the statements received from custodians due to differences in the timing on posting transactions, accounting procedures, or other reasons.

In addition, KBSRA Inc may maintain custody of certain real estate assets on behalf of clients including real estate supported by trust deeds, notes receivable and letters of credit for security deposits from lease tenants.

## **Item 16 Investment Discretion**

KBSRA Inc primarily provides real estate asset management and advisory services to its clients in respect of direct investments into real property assets and real estate-related investments including, to a limited extent, certain real estate securities. Even though KBSRA Inc does not frequently engage in securities transactions on behalf of its clients, it does typically have discretionary authority to buy and sell securities for clients. Clients may impose limitations on this discretion with respect to certain aspects of the management of its portfolio. Such limitations are stated in the governing documents of the limited partnership investment vehicles or in an asset management agreement.

KBSRA Inc typically assumes discretionary authority through a power of attorney contained within the governing documents of the limited partnership investment vehicle, or through a power of attorney granted in an asset management agreement.

### **Item 17 Voting Client Securities**

KBSRA Inc does not vote client securities.

## **Item 18 Financial Information**

KBSRA Inc is not aware of any financial condition that could impair its ability to meet its contractual commitments to its clients.