

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

**Vanbarton Group LLC**

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March 29, 2024

This brochure provides information about the qualifications and business practices of Vanbarton Group LLC. If you have any questions about the contents of this brochure, please contact us at 212-293-8800 or [Compliance@vanbartongroup.com](mailto:Compliance@vanbartongroup.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 Vanbarton Group LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The firm's CRD number is 119128.

## **Item 2 Material Changes**

Since our last annual brochure dated March 31, 2023, we have made certain updates and revisions to our brochure in Item 8, including further disclosures around Interest Rate and Interest Rate Product Risks, Risks Related to War and International Conflicts, and Banking and Financial System Instability. We do not believe that any of these updates or revisions are material.

Clients may request the most recent version of Vanbarton's brochure by submitting an email request to Vanbarton's Chief Compliance Officer at [compliance@vanbartongroup.com](mailto:compliance@vanbartongroup.com), telephone number (908) 451-8769, or by submitting a written request to the adviser at Vanbarton Group, LLC, 292 Madison Avenue, 7<sup>th</sup> Floor, New York, NY 10017-6318,

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## **Item 4 Advisory Business**

Vanbarton Group LLC (the "Advisor" or "Vanbarton"), is an SEC-registered investment adviser with its principal place of business located in New York City. The Advisor began conducting business in 1992 and has been an SEC-registered investment advisor since 2002.

Listed below are the firm's Managing Partners (i.e., those individuals and/or entities controlling 25% or more of the company).

1. Gary M. Tischler
2. Richard A.C. Coles

The Advisor offers advisory services to its clients solely with respect to real estate investments. The firm provides investment management and asset analysis relating to the direct ownership of real estate, real estate joint ventures, real estate preferred equity, real estate debt instruments and real estate loan origination.

The Advisor manages its advisory accounts on a discretionary basis. The written investment advisory agreement between the Advisor and each of its clients will delineate the parameters for investment for a particular client. Clients may impose restrictions on the types, strategy or size of investments or any other matter.

Vanbarton does not participate in wrap fee Programs.

As of 12/31/2023, the Advisor was actively managing approximately \$ 1,985,003,516.06 of client assets on a discretionary basis which includes undrawn commitments and allocations.

## **Item 5 Fees and Compensation**

### **FEES**

Each of the various fees, which the Advisor negotiates with its clients, is set forth in the investment management agreement between the Advisor and the advisory client. The Advisor generally receives an annual asset management fee equal to between 0.50% and 1.25% of the equity investment in a transaction. In addition, the Advisor, or an affiliate of the Advisor, which in some cases acts as the managing member of the asset owning entities, typically earns a "promote" or profit participation. Such promotes are generally earned and payable to the Advisor or such affiliate after the return of all capital to the client and a stated priority annual return which generally ranges between 8% and 10% per annum. In certain cases, the Advisor receives (a) in connection with equity investments, an acquisition fee of up to 1.0% of the total cost of the acquisition as provided in the respective investment advisory agreement and (b) in connection with debt investments, an origination fee of up to 0.75% of the total amount of the debt investment as provided in the respective investment advisory agreement. The Advisor may also receive, in connection with equity investments, a financing fee of up to 0.5% of the amount borrowed to acquire or refinance such equity investment. Other fees, promote structures, and any other terms may be negotiated and agreed to if and to the extent the Advisor or its affiliates and the client deem appropriate.

Asset management fees are generally paid, pursuant to the client agreement, to the Advisor quarterly in arrears, though some clients pay them monthly. The Advisor either bills its clients for its fees or deducts

them from client assets, as provided in the investment advisory agreement.

## **GENERAL INFORMATION**

**Termination of the Advisory Relationship:** Generally, a client agreement may be canceled at any time without additional cost, by either party, for any reason upon a prescribed notice period as agreed upon by the parties.

**Advisory Fees in General:** 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.

**Limited Prepayment of Fees:** Under no circumstances does the Advisor require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

As disclosed in Item 5 of this Brochure, the Advisor (or an affiliate) earns performance-based fees from all of its clients. Clients should be aware that a performance-based fee arrangement may create an incentive for the Advisor to recommend investments which may be riskier than those which would be recommended under a different fee arrangement.

The Advisor endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser; accordingly, the Advisor takes certain steps to address these conflicts, including the following:

1. Disclosure to clients of the existence of all material conflicts of interest;
2. Collection, maintenance and documentation of accurate, complete and relevant client background information, including the client's goals, objectives and risk tolerance;
3. Implementation of policies and procedures for fair and consistent allocation of investment opportunities among all client accounts. The Advisor has a formal investment rotation policy and maintains a roster of deal allocation to ensure fairness and avoid potential conflicts of interest.
4. Education of employees regarding the responsibilities of a fiduciary, including the importance 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.

The client should understand the performance-based fee method of compensation and its risks prior to entering into an advisory agreement with us.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

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

The Advisor provides advisory services to the following types of clients:

1. Pension and profit-sharing plans (but not the plan participants or government pension plans)
2. Pooled investment vehicles (other than investment companies and business development

- companies)
3. State or municipal government entities (including government pension plans)

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

The Advisor provides investment advisory services solely with respect to real estate investments. The firm pursues a detailed physical and financial assessment of each investment, whether equity or debt, and analyzes the merits of potential litigation in connection with the investment. Underlying investment assumptions are based upon local market fundamentals, both in the general economy (e.g. business and employment growth) and in the real estate sector specifically (e.g. rental rates, supply, absorption, primary competitive properties).

The Advisor selects investments for clients that are consistent with the client's stated investment objectives, risk tolerance, and time horizons, among other considerations. Investment in real estate carries risk, including financing risk, environmental and engineering risk, leasing risk, tenant credit risk and loan and borrower risk. The value of the investments could be adversely affected in the event of a natural disaster, severe weather events, climate change, earthquakes, fires, war, terrorism, health pandemics and other public health crises. Investing in securities involves risk of loss that clients should be prepared to bear.

### **CERTAIN RELATED RISKS**

*Real Estate Risks Generally.* Investments will be subject to the risks associated with the ownership of real estate or real estate-related assets. These risks may affect real estate markets generally or specific assets and include general economic and social climate, international, national, regional and local real estate conditions, environmental risks, the supply of and demand for properties, the financial resources and solvency of buyers of properties, competition for buyers of property, the ability of a fund to manage the real properties, changes in zoning, building, agrarian, environmental, tax or other applicable laws, changes in real property tax rates, changes in interest rates, negative developments in the economy that depress travel activity, uninsured casualties, changes in operating expenses, changes in the availability, cost or terms of permanent mortgage indebtedness, fluctuations in energy prices, changes in the relative popularity of property or asset types, the ongoing need for capital improvements, cash flow risks and constructions risks, as well as natural catastrophes, global pandemics, acts of war, civil unrest, uninsurable losses and other factors that are beyond the control of the Advisor and/or the General Partners.

With respect to investments in the form of real property owned by a Vanbarton Fund, the Fund will incur the burdens of ownership of real property, which include paying expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing such property. Furthermore, changes in interest rates or the availability of debt may render the investment in real estate assets difficult or unattractive. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such a loss.

Many of these factors could cause fluctuations in demand for real properties, capitalization rates, occupancy rates or operating expenses, resulting in a negative effect on the value of real estate assets. Valuation of real estate assets may fluctuate. The capital value of a Fund's real estate investments may be significantly diminished in the event of a downward turn in real estate market prices.

Certain expenditures associated with real estate, such as taxes, debt service, maintenance costs and insurance, tend to increase and are not generally decreased by events generally adversely affecting sales and/or rental revenues such as an unforeseen downturn in the real estate market, a lack of investor confidence in the market or a softening of demand. There can be no assurance that any investments will be sold at a price above the cost of acquisition and development. As a result, there can be no assurance that investment objectives will be realized.

In addition to the above, any real estate development would be subject to the typical pre- development risks (e.g., those associated with design and clearance, permitting, zoning), development risks (e.g., construction quality and cost overruns) and property market risks (e.g., competition and nature and level of demand).

Each Fund's investment activities subject them to the risks of becoming involved in litigation with and by third parties such as local operators and joint venture partners. The expense of defending or pursuing such claims and paying any amount pursuant to settlements or judgments will be borne by the relevant Fund and would reduce the value of an investment in the relevant Fund.

*Investments in Real Estate Debt.* The Fund may invest in a variety of real estate-related debt investments. In addition to the risks of borrower default (including loss of principal and non- payment of interest) and the risks associated with real property investments, the Fund will be subject to a variety of risks in connection with such debt investments, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the Fund's exercise of contractual remedies for defaults of such investments.

*Interest Rate and Interest Rate Product Risks.* Changes in interest rates may adversely affect the Funds' investments. Prior to 2022, the United States had experienced a sustained period of historically low interest rates. In recent years, however, short-term and long-term interest rates, including for mortgages, have risen significantly. Changes in mortgage rates can directly affect the demand for and value of the real estate investments held by or to be developed by the Funds. Changes in the general level of interest rates can affect a Fund's income by affecting the spread between the income on its assets and interest-bearing liabilities, as well as the value of its interest-earning assets and its ability to realize gains from the sale of assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements, and other factors beyond the control of the Funds. The Funds may finance their activities with both fixed- and floating-rate debt. With respect to its floating-rate debt, a Fund's performance may be affected adversely if the Fund chooses not to implement a strategy to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors, or other interest rate contracts or buying and selling interest rate futures or options on such futures.

*Force Majeure Events.* The value of a Funds' real estate assets could be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic such as COVID-19, or any other serious public health concern, war, terrorism, labor strikes, major pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some

force majeure events may adversely affect the ability of a party (including a counterparty to a Fund) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets resulting from such a force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an asset. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity. Additionally, a major governmental intervention, including the assertion of control over one or more assets, could result in a loss to the Funds. Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

## **OTHER RISKS**

*Risks Related to Cyber Security.* Vanbarton and its service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that Vanbarton and its service providers use to service Vanbarton's operations; or operational disruption or failures in the physical infrastructure or operating systems that support Vanbarton and its service providers. Cyber-attacks against or security breakdowns of Vanbarton or its service providers may adversely impact Vanbarton and its Clients, potentially resulting in, among other things, financial losses; the inability of Vanbarton to transact business and process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs; and/or additional compliance costs. Vanbarton may incur additional costs for cyber security risk management and remediation purposes. There can be no assurance that Vanbarton or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

*Risks Related to War and International Conflicts.* A number of countries in Europe have suffered terror attacks, and additional attacks may occur in the future. Ukraine has experienced ongoing military conflict; this conflict may expand, and military attacks could occur elsewhere in Europe. In addition, as of October 2023, there has been an ongoing military conflict between Israel and the terrorist organization known as Hamas. Europe also has been struggling with mass migration from the Middle East and Africa. The ultimate effects of these events and other socio-political or geographical issues are not known but could profoundly affect global economies and markets.

*Environmental Liabilities.* Under various environmental laws, ordinances, and regulations, a current or previous owner or operator of property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of hazardous substances at the disposal or treatment facility whether such facility is, or ever was, owned or operated by such person. Certain environmental laws could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials and mold, into the air, and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with exposure to released hazardous substances, including asbestos-containing materials and mold.



The presence of hazardous or toxic substances may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the return from such investment. As the owner of real properties, a Fund may be potentially liable for any such costs.

*Banking and Financial System Instability.* National and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology, and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy, or default) with one or more national or regional banks, financial institutions, or other participants in the financial or capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs, and losses, among other possible effects) for other participants in these markets. Future developments, including actions taken by the U.S. Department of the Treasury, Federal Deposit Insurance Corporation (FDIC), and/or Federal Reserve Board, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of any of the U.S. Department of the Treasury, Federal Deposit Insurance Corporation, and/or Federal Reserve Board, as well as other financial industry agencies and policy-making and regulatory bodies, may remain unknown for significant periods of time and could adversely affect the Funds and their investments.

For example, in response to the rapidly declining financial condition of regional banks Silicon Valley Bank and Signature Bank, the California Department of Financial Protection and Innovation and the New York State Department of Financial Services closed Silicon Valley Bank and Signature, and the Federal Deposit Insurance Corporation was appointed as receiver for each of Silicon Valley Bank and Signature Bank. In response, the Department of the Treasury, the Federal Reserve Board, and the Federal Deposit Insurance Corporation stated that all depositors of Silicon Valley Bank and Signature would have access to all of their deposits. Similarly, in the spring of 2023, the California Department of Financial Protection and Innovation closed commercial bank First Republic Bank, and the Federal Deposit Insurance Corporation seized its assets, following the rapid decline of First Republic Bank's financial condition.

Although the U.S. Department of the Treasury, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and other financial institutions have taken measures to stabilize the financial system, uncertainty and liquidity concerns in the broader financial services industry remain. Additionally, should there be additional systemic pressure on the financial system and capital markets, there is no assurance that the response of any government, regulator, or market participant will be as favorable to industry participants as the recent measures have been. Highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns and market volatility. The aforementioned banking industry situation may lead to further rules and regulations for banks, financial institutions, and other financial market participants in both the U.S. and global capital markets and complying with the requirements of any such rules or regulations may be burdensome. The recent bank closings have given rise to significant liquidity concerns in the broader financial services industry and to increased market volatility. Liquidity problems in the financial services industry could have an adverse effect on Vanbarton's clients and their investment returns.

Any Distress Event has a potentially adverse effect on the ability of Vanbarton to manage its Clients' investments, and on the ability of Adviser to maintain operations, which in each case could result in

significant losses and unconsummated investment acquisitions and dispositions. Although Vanbarton seeks to do business with Financial Institutions it believes are creditworthy and capable of fulfilling their respective obligations, Vanbarton is under no obligation to use a minimum number of Financial Institutions with respect to any Client or to maintain account balances at or below the relevant insured amounts.

### **Item 9 Disciplinary Information**

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

The Advisor and its management personnel have no reportable disciplinary events to disclose.

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

Vanbarton Services LLC is a licensed real estate broker in New York, and certain of its affiliates are licensed brokers in other states. The Advisor also has relationships with client related pooled investment vehicles and sponsors or syndicators of limited partnerships and others where potential conflicts of interest could exist.

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

The Advisor strives to conduct its business in compliance with all applicable laws and with the highest ethical standards in keeping with its fiduciary duties to clients. The Advisor has adopted a Code of Ethics to confirm its core ethical values and standards of conduct.

The Advisor and its personnel owe a duty of loyalty, fairness, and good faith towards each client, 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.

The Advisor's Code of Ethics includes policies and procedures for the review of quarterly securities transactions and holdings reports that must be submitted by the firm's access persons. Such Code also provides for oversight, enforcement, and recordkeeping provisions.

The Advisor's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While the Advisor does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of the Advisor's Code of Ethics is available for review to all advisory clients and prospective clients upon request. You may request a copy by sending an e-mail to [Compliance@vanbartongroup.com](mailto:Compliance@vanbartongroup.com), or by calling us at 212-293-8800.

Affiliates of the Advisor are the managing member or general partner of several client related limited liability companies or limited partnerships that invest in real estate related investments (the "Partnerships"). The managing member or general partner has designated Advisor as having primary

responsibility for investment management and other matters, such as accounting, tax and periodic reporting, pertaining to the Partnerships. The Advisor and its members, officers and employees will devote to the Partnerships as much time as they deem necessary and appropriate to manage the Partnerships' business or as outlined per a specific investment management agreement. The Advisor and its affiliates are not restricted from forming additional investment funds, entering other investment advisory relationships, or engaging in other business activities, even though such activities may be in competition with the Partnerships and/or may involve substantial time and resources of the Advisor and its affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of management personnel and employees will not be devoted exclusively to the business of the Partnerships but could be allocated between the business of the Partnerships and other of the Advisor's business activities and its affiliates. The Advisor addresses and avoids these conflicts by anticipating its clients' demands and ensuring the adequacy of its resources to meet those needs.

From time to time, the Advisor and its key employees are provided the opportunity to co-invest in investments that the Advisor recommends to its advisory clients; provided, however, that (i) neither the Advisor nor its employees are permitted to make any investment which would prevent an advisory client from investing in all or a portion of the investment opportunity, (ii) employees are permitted to make an investment on the same terms and conditions as the advisory clients, (iii) the Advisor is permitted to make an investment on the same terms and condition as the advisory clients except for differences in special services provided for in client investment agreements, and (iv) all terms and conditions of the Advisor and employee co-investments are fully disclosed to the advisory clients.

#### **Item 12      Brokerage Practices**

The Advisor's advisory services are comprised solely of real estate advisory services. Accordingly, the Advisor does not utilize broker-dealers in connection with client securities transactions.

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

The Advisor reviews each of its client's investments on a quarterly basis and sends written reports to the clients. The quarterly reports are prepared under the supervision of the principal responsible for overseeing the client's investments and are reviewed by the Managing Partners and the Chief Financial Officer. The quarterly reports generally include an executive summary of the investment's performance, a market summary, an investment update, including performance and variance analyses, leasing, operations and capital expenditures, and financial statements.

In addition, all client accounts are audited annually by a PCAOB-registered independent certified public accounting firm.

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

The Advisor may engage solicitors or pay related or non-related persons for referring potential clients to the firm.

It is the Advisor's policy not to accept or allow related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services provided to clients.

**Item 15      Custody**

All client accounts are audited annually by an independent public accountant and copies of the audited financial statement are distributed to such clients. In the event a client account is subject to a surprise examination, the client will receive account statements, at least quarterly, directly from the qualified custodian. The Advisor urges clients to carefully compare information provided in statements and reports received from the Advisor to the information contained in the audited financial statements and any statements or reports clients receive from custodians.

**Item 16      Investment Discretion**

Clients may engage the Advisor on a discretionary basis to invest in real estate in accordance with the parameters and terms and conditions set forth in an investment advisory agreement.

**Item 17      Voting Client Securities**

The Advisor provides investment management services solely with respect to real estate and does not provide investment advisory services with respect to voting securities. Accordingly, the Advisor does not vote proxies on behalf of clients or offer advisory services to clients regarding proxy issues.

**Item 18      Financial Information**

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of client assets, the firm is also required to disclose any financial condition that is reasonably likely to impair the Advisor's ability to meet its contractual obligations. The Advisor has no such financial conditions to report.

Under no circumstances does the Advisor require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, the Advisor is not required to include a financial statement in this brochure.