



# Versus Capital Advisors LLC

## Form ADV Part 2A: Company Brochure

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Effective Date: March 22, 2024

**This brochure provides information about the qualifications and business practices of Versus Capital Advisors LLC (“Versus Capital” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 877-200-1878 or [info@versuscapital.com](mailto:info@versuscapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Versus Capital is registered as an investment adviser with the SEC. Registration does not imply a certain level of skill or training. Additional information about Versus Capital also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2: MATERIAL CHANGES**

This brochure replaces the last annual update of Versus Capital’s brochure dated March 22, 2023. Changes in this brochure include:

- disclosure related to a new Versus Capital interval fund and new proprietary corporate account, including related updates to:
  - Item 4 regarding the Company’s advisory business to acknowledge these new accounts;
  - Item 8 regarding the investment strategy and methods of analysis to discuss the investment strategy of the new interval fund; and
  - Item 11 regarding the proprietary corporate account’s investments alongside client investment strategies.
- disclosure related to new trade aggregation policies and procedures for private placement securities, which is discussed in Item 12.

Other non-material, clarifying, simplifying, and updating edits have been made throughout the brochure for this annual update.

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## ITEM 4: ADVISORY BUSINESS

Versus Capital, a Delaware limited liability company, was originally established in March of 2007 as Welton Street Advisors to provide investment management services in the form of fund of funds management for clients, including certain private charitable trusts established as pooled income funds (“PIFs”) under Section 642(c)(5) of the Internal Revenue Code of 1986, as amended, which are managed for the benefit of a single non-profit entity (the “*Non-Profit*”). Welton Street Advisors was initially registered as an investment adviser within the state of Colorado. In 2011, the Company updated its registration after an ownership reorganization and name change to Versus Capital. That year, Versus Capital registered with the SEC under the Investment Advisers Act of 1940 (the “*Advisers Act*”). Colliers VS Holdings, Inc., a wholly-owned indirect subsidiary of Colliers International Group Inc. (together, “*Colliers*”), holds, directly and indirectly, approximately 75% of the outstanding securities of Versus Capital. The remaining balance of Versus Capital’s outstanding securities is held by the Company’s co-founders and certain other employees.

Versus Capital Multi-Manager Real Estate Income Fund LLC (“*VCMIX*”) is a Delaware limited liability company registered under the Investment Company Act of 1940, as amended (the “*Investment Company Act*”), as a non-diversified closed-end investment management company that is operated as an interval fund. In 2017, Versus Capital launched Versus Capital Real Assets Fund LLC (“*VCRRX*”), a Delaware limited liability company registered under the Investment Company Act as a non-diversified closed-end investment management company that is operated as an interval fund. In 2024, Versus Capital launched Versus Capital Infrastructure Income Fund (“*VCRDX*”), a Massachusetts business trust registered under the Investment Company Act as a non-diversified closed-end investment management company that is operated as an interval fund. VCRDX’s registration statement was declared effective by the SEC in February 2024, and the Company anticipates it will commence operations in April 2024. VCMIX, VCRRX, and VCRDX are collectively referred to in this brochure as the “*Registered Funds*”. The Registered Funds and the three PIFs constitute the entirety of Versus Capital’s advisory client base and are collectively referred to in this brochure as “*Clients*”.

Versus Capital serves as the investment adviser and has full discretionary authority over investment decisions made for each of its Clients. Versus Capital invests the majority of VCMIX assets in various private investment funds (“*Private Funds*”). Versus Capital typically allocates a portion of the assets of VCMIX to one or more other investment advisers (“*Sub-Advisers*”) to manage a sleeve of publicly traded equity and debt securities.

Like VCMIX, VCRRX invests the majority of its assets in Private Funds and Versus Capital typically allocates a portion of VCRRX’s assets to one or more Sub-Advisers to manage a sleeve of publicly traded equity and debt securities. VCRRX may also invest directly in private secured and unsecured real asset-related debt and makes direct investments into timberland and agriculture/farmland assets through its wholly-owned and controlled subsidiary (the “*Sub-REIT*”).

VCRDX is expected to invest a majority of its assets in privately issued debt investments backed by infrastructure assets and other asset-backed securities representing ownership or participation in a pool of infrastructure-related loans or other infrastructure assets (collectively, and inclusive of the types of private secured and unsecured real asset-related debt VCRRX invests in, “*Private Debt*”). Versus Capital also anticipates investing a portion of VCRDX’s assets in Private Funds and allocating a portion of VCRDX’s assets to one or more Sub-Advisers to manage a sleeve of publicly traded equity and debt securities.

Versus Capital manages each of the PIFs under a fund of funds strategy and allocates the PIFs’ assets to various no load, open-end mutual funds that are intended to meet each PIF’s specific investment focus: real estate, high income, and core income, respectively.

As of March 15, 2024, Versus Capital had \$5,060,100,000 in discretionary assets under management on behalf of Clients, nearly all of which is held in the Registered Funds. Versus Capital does not manage any Client assets on a non-discretionary basis.

Versus Capital's advice to each Client is tailored according to the investment objectives, guidelines and requirements set forth in the relevant documents pertaining to Versus Capital's arrangements with that Client. In the case of the Registered Funds, such investment objectives, guidelines and requirements are described in the Registered Funds' prospectuses and statements of additional information (each, as amended and/or supplemented from time to time, collectively, a "*Prospectus*") and the investment management agreement between Versus Capital and each Registered Fund. In the case of the three PIFs managed for the benefit of the Non-Profit, such investment objectives, guidelines and requirements are described in the investment management agreement between Versus Capital and the Non-Profit. The Prospectuses and investment management agreements between Versus Capital and each Client are collectively and herein referred to as the "*Relevant Documents*".

The investment strategies employed by Versus Capital for its Clients typically are focused on income-oriented investment objectives with a secondary focus on capital preservation and appreciation. Versus Capital has the authority to determine, without consultation with any Client on a transaction-by-transaction basis, the investments to be bought or sold, and the amount of investments to be bought or sold, subject to and in accordance with the Relevant Documents of each Client.

In addition to advising its Clients, Versus Capital manages certain Private Debt assets through a wholly-owned subsidiary that it operates as a proprietary account (the "*Proprietary Account*"). Versus Capital established the Proprietary Account in 2023 to build a seed portfolio with the intent that the Proprietary Account would be reorganized into a future closed-end investment management company operated as an interval fund. The Company no longer anticipates that the Proprietary Account will be reorganized into an interval fund. New investments into the Proprietary Account are not anticipated and the Company intends that the Proprietary Account will be wound down and existing investments will liquidated in an orderly fashion, which may include holding an investment until maturity. Versus Capital does not anticipate that the Proprietary Account will accept outside investors. The Company does not receive any compensation related to the Proprietary Account.

## **ITEM 5: FEES AND COMPENSATION**

Versus Capital receives compensation for serving as the investment adviser to the Registered Funds. The fees for such services are charged at an annual rate as a percentage of the assets of each Registered Fund. Currently, the annual rate applied ranges between 0.95% and 1.15%, as disclosed in the Prospectus for each Registered Fund. The fees accrue daily on the average daily net asset value of each Registered Fund and are paid quarterly in arrears out of the assets of each Registered Fund.

Investors in VCMIX pay sub-advisory fees for the portion of the Fund managed by Sub-Advisers. In addition, investors in the Registered Funds bear certain expenses related to the operations of each Fund. These expenses include, but are not limited to, administrative, organizational, research and investment related expenses, such as brokerage commissions, indirect fees and expenses of the underlying Private Funds, legal fees, fees for maintaining and utilizing a line of credit, director's fees, accounting fees, audit fees and other professional fees and expenses. These expenses are typically accrued daily and incorporated in the Registered Fund's share price. For additional detail on these fees and expenses, please refer to the Prospectus of each

Registered Fund. For additional information on the Company's brokerage practices, please refer to *Item 12: Brokerage Practices* in this brochure.

Versus Capital does not currently receive any compensation for serving as the investment adviser to the three PIFs. Each PIF does, however, bear the custodial and trustee fees associated with the ongoing management of each fund. Also, because each PIF invests primarily in unaffiliated mutual funds, they will share in the underlying management, trading and administrative expenses of each mutual fund they are invested in.

## **ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

None of Versus Capital or its supervised persons currently receive any performance-based fees as compensation for investment advisory services provided to Clients.

## **ITEM 7: TYPES OF CLIENTS**

The Registered Funds are generally sold to (i) institutional investors, including registered investment advisers, banks, trust companies or similar financial institutions investing for their own account or for accounts for which they act as a fiduciary and have authority to make investment decisions (subject to certain limitations) and clients of such institutional investors that have accounts for which such institutional investors are bound by an applicable fiduciary standard, and (ii) the executive officers, directors, general partners, or employees of the Registered Funds or the Company. The minimum initial investment per institutional investor in each Registered Fund (including, with respect to clause (i) above, cumulative investments of the clients of any institutional investor of a Registered Fund) is \$10 million and the minimum for those investors defined by clause (ii) above is \$10,000. The Company has the authority to waive the minimum investment requirements or allow investors in the Registered Funds who do not fit the above descriptions under certain circumstances. There is no minimum amount for subsequent purchases of shares. Please refer to the relevant Prospectus for detailed information on the requirements to invest in each Registered Fund.

As discussed above, Versus Capital provides investment advice to three PIFs and the Registered Funds. The PIFs no longer accept new investors.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Versus Capital serves as the investment adviser to the Registered Funds, with VCMIX focused on both public and private real estate investments, VCRRX focused on both public and private investments in real assets (such as farmland, timberland, and infrastructure), and VCRDX focused on both public and private income-oriented investments that provide exposure to infrastructure assets. Unlike many closed-end investment companies, the Registered Funds' shares are not listed or traded on any securities exchange. There is currently no secondary market for the shares and the Registered Funds expect that no secondary market will develop. Shares are subject to substantial restrictions on transferability and may only be transferred or resold in accordance with each Registered Fund's share repurchase policy and Limited Liability Company agreement. Limited liquidity is provided to shareholders through each Registered Fund's quarterly repurchase offers for no less than 5%, and no more than 25%, of the shares outstanding. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer. The investment strategies, methods of analysis and material risks applicable to each Registered Fund are described in detail in each relevant Prospectus, which is available at [www.versuscapital.com](http://www.versuscapital.com).

Versus Capital provides discretionary investment management on a continuous basis to the three PIFs. The PIFs are structured to each have a different investment focus: real estate, high income and core income. For each PIF, Versus Capital utilizes a fund of funds strategy, investing only in shares of no load open-end mutual funds to meet the stated investment objective. The success of these strategies depends on the Company's ability to identify and manage the mix of mutual funds each PIF is invested in. Versus Capital utilizes quantitative and qualitative methods of analysis to select mutual funds for the PIFs. Using data sources such as Morningstar Direct and mutual fund prospectus information, Versus Capital analyzes historical performance, fees, and investment strategy to arrive at the appropriate mix of funds for each PIF.

Versus Capital employs a team of qualified professionals that attempts to construct portfolios that meet the objectives of each Client as described in the Relevant Documents. Versus Capital utilizes information obtained from a wide variety of sources, and multiple professional staff members actively participate in the Company's research effort. All new investments made by Versus Capital are reviewed and approved by the Company's Investment Committee, which is led by the Chief Investment Officer ("CIO") of Versus Capital.

Versus Capital follows certain general guidelines when reviewing and selecting investments for a Registered Fund. Although the Company will attempt to apply the guidelines consistently, the guidelines involve the application of subjective and qualitative criteria and the selection of investments is a fundamentally subjective process. The use of the selection guidelines may be modified or eliminated at the discretion of the Company. There can be no assurance that the Company will be able to access investments that can enable a Registered Fund to meet its objective. The current guidelines, developed by Versus Capital, are as follows:

- *Investment Review.* The Company's process for identifying and evaluating potential investments varies depending on the type and structure.

*Private Fund Investments.* The Company's process for evaluating Private Fund investments for a Registered Fund emphasizes the performance and consistency of the management team for a Private Fund, the investment manager's investment approaches and processes, the mechanics and structure for entering and exiting the investment, the overall cost of the investment, the fundamentals of the underlying portfolio of investments and the market pricing for an investment or asset.

*Private Debt.* For Private Debt investments, the Company evaluates investment opportunities originated by or arranged through a network of relationships with private credit asset managers, origination platforms, private equity asset managers, financial intermediaries, and other parties ("Arrangers"). The Company assesses the terms and structure of each potential investment along with the financial condition of the operator or lessor, the market outlook for the agricultural product (in the case of direct timber, agriculture, and farmland investments) and the management team and business outlook for a borrower, in the case of Private Debt investments.

*Sub-REIT.* For direct timber, agriculture and farmland investments made by the Sub-REIT, the Company has engaged two real asset property managers to help identify investments, conduct due diligence, and provide other services in connection with Versus Capital's evaluation of such investments.

*Sub-Advisers.* When evaluating a Sub-Adviser, the Company evaluates their management team, their investment team's approach to top-down research and analysis, as well as their bottom-up investment review, the cost of the sub-advisory services provided, and the adherence and consistency of the investment strategy across the investment team and the firm.

- *Portfolio Construction and Selection Process.* When constructing the portfolio of a Registered Fund, the Company assesses strategic allocations to, as applicable, private and public investments, dynamic sub-sector allocation and risk control ranges across the real estate and infrastructure income markets, and current allocations to Private Funds, direct timber/agriculture/farmland investments, Private Debt, and Sub-Advisers. The intent of the investment diligence and selection process is to (i) evaluate the opportunity, (ii) determine fit for the Fund, (iii) assess diversification considerations, (iv) assess potential risks and relevant mitigants to identified risks and (v) analyze risk-adjusted returns. The Company seeks to conduct a multi-step process for review and evaluation of each potential investment. The Company tailors this process to each investment type and strategy and typically includes meetings, questionnaires, interviews, and reference calls with fund managers, borrowers, sponsors, Arrangers, independent consultants, and/or other lenders. The Company may also review independent market and technical reports, financial models, legal due diligence memos, private place memorandums, credit agreements, and other written materials, as applicable. By combining historical quantitative analysis with a sound knowledge of certain key qualitative attributes, the Company will attempt to evaluate each real asset or real estate investment or strategy and the potential of the Private Debt investments, Private Funds or public security investment strategies of the Sub-Advisers to generate sustainable, positive, risk-adjusted real returns under a wide variety of market conditions.

*Private Funds.* For Private Fund investments, the Company evaluates, as appropriate, among other things: (i) the background of the manager's firm and its respective team; (ii) the infrastructure of the manager's research, evaluation and investment procedures; (iii) the manager's strategy and method of execution; (iv) the structure and tax treatment of the investment or investment vehicle; (v) the manager's risk control and portfolio management processes; and (vi) the differentiating factors that the Company believes give a Private Fund or its manager an advantage over other potential investments, funds and managers.

*Sub-REIT.* For direct timber, agriculture, and farmland investments, the Company, with the assistance of property managers and consultants, evaluates the experience of the operator or lessor of the underlying property, the current and expected market for the agricultural product, the development opportunities of the underlying property, and any water, access and other rights related to the property.

*Private Debt.* For Private Debt investments, the Company evaluates, among other things: (a) the background and creditworthiness of a borrower; (b) the collateral package and capital structure of the debt instrument; and (c) the business outlook of the borrower and the background of its management team.

- *Monitoring a Registered Fund's Investments and Sub-Advisers.* The Company reviews the performance of the Registered Funds' investments and Sub-Advisers on an ongoing basis. Each Registered Fund's assets are invested in investments that provide reports sufficient to enable the Company to appropriately monitor the investments' overall performance, sources of income, asset valuations and liabilities. The Registered Fund and the Company also monitor the investments and the Sub-Advisers through a combination of periodic performance updates, portfolio reports and phone calls from the borrowers, Arrangers, or investment managers associated with such investments, and Sub-Advisers, as well as site visits conducted by Versus Capital personnel from time to time. The Company regularly evaluates each Sub-Adviser to determine whether its investment program is consistent with the Registered Fund's investment objective and whether the investment's performance is satisfactory.

Versus Capital may engage Arrangers, property managers, or third-party consulting, research and data gathering services in support of its efforts to review, select and monitor direct investments and the Sub-Advisers.

Versus Capital's quantitative and qualitative methods of analysis may include manager interviews, historical performance analysis through data received via requests for information, peer reviews and investor reviews. There can be no assurance that any of the objectives of the investment strategies employed by the Company will be met. Investing in any of these strategies involves the risk of loss that each Client, and their underlying investors or beneficiaries, must be prepared to bear.

## **ITEM 9: DISCIPLINARY INFORMATION**

There are no legal or disciplinary events for Versus Capital or its personnel that would be material to any existing or prospective client's evaluation of Versus Capital's advisory business or the integrity of Versus Capital's management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Certain employees of Versus Capital serve as officers and/or directors of the Registered Funds and of the Sub-REIT. The Company does not believe this creates a material conflict of interest with regard to its role as the investment adviser of the PIFs. Nevertheless, the Company maintains policies and procedures designed to address potential conflicts of interest and to monitor the investment decisions and performance of each Client.

Also, as noted previously, Colliers, a diversified global real estate and investment management firm, owns a majority stake in Versus Capital. Colliers engages in a broad spectrum of real estate and investment activities. In the ordinary course of its business, Colliers engages in activities where Colliers's interests or the interests of its clients may conflict with the interests of the Company's Clients, in particular with the Registered Funds. Colliers holds ownership interests in, and is otherwise affiliated with, certain other investment managers ("*Affiliated Managers*"). Colliers and the Affiliated Managers advise clients with a wide variety of investment objectives that in some instances may overlap or conflict with the Registered Funds' investment objectives and present conflicts of interest.

In addition, Colliers's financial interests in the Affiliated Managers may create an affiliation between the Company and the Affiliated Managers or one or more of their respective Private Fund clients and will give rise to conflicts of interest between the Registered Funds and other investment vehicles managed by other asset managers. For example, such financial interests create an incentive for the Company to cause a Registered Fund to invest in, or continue to hold its interest in, Private Funds managed by an Affiliated Manager or hire an Affiliated Manager as a sub-adviser to a Registered Fund. Further, if a Registered Fund is invested in funds managed by an Affiliated Manager, there is a conflict between the Company's obligations to the Registered Fund, on the one hand, and the Company's (or Colliers's) interest in the success of the Affiliated Manager, on the other hand.

The nature of the Company's and Colliers's relationship with the Affiliated Managers means that, due to the prohibitions contained in the Investment Company Act on certain transactions between a registered investment company and affiliated persons of it, or affiliated persons of those affiliated persons, a Registered Fund may not be able to invest in Private Funds or other vehicles managed by Affiliated Managers, even if the investment would be appropriate for that Registered Fund. These prohibitions are designed to prevent affiliates and insiders from using a registered investment company (such as a Registered Fund) to benefit themselves to the detriment of the registered investment company and its shareholders. For investments in Private Funds managed by Affiliated Managers that predate Colliers's acquisition of the Company, or to the



extent a Registered Fund is invested in a Private Fund sponsored or managed by an entity that subsequently becomes an Affiliated Manager (e.g., due to Colliers's acquisition of such entity), to the extent that such Private Fund were to be deemed an affiliate of a Registered Fund, such Registered Fund may not be able to make further investments in such Private Funds or redeem existing interests back to such Private Funds, even if the additional investment or redemption would be beneficial to the Registered Fund. The Company will endeavor to manage these potential conflicts in a fair and equitable manner – subject to legal, regulatory, contractual, or other applicable considerations – through enhanced oversight and reporting to the Board of the Registered Funds.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### ***Code of Ethics***

Versus Capital intends to maintain a reputation for conducting its business activities in the highest ethical and professional manner. Such a reputation for integrity is instrumental in the success of its business. Each employee, officer and director – whatever his or her position – is responsible for upholding the highest ethical and professional standards. This includes a commitment to conducting business in accordance with applicable laws, rules and regulations and to full and accurate financial disclosure in compliance with applicable laws and Company policies. As such, Versus Capital and its supervised persons must not act or behave in any manner or engage in any activity that creates even the appearance of the misuse of material non-public information or gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any Client.

Because of the potential conflicts of interest inherent in the Company's business, supervised persons are expected to behave in a manner that seeks to avoid even the appearance of a conflict of interest with any Clients whenever possible. Supervised persons are expected to disclose all material conflicts of interest between themselves and a Client to the Company's Chief Compliance Officer ("CCO") and to avoid personal investment and trading activity which creates actual or potential conflicts of interest with a Client.

Requirements of the Versus Capital Code of Ethics:

- *Duty to Comply with Applicable Laws.* All supervised persons are required to adhere to the Federal Securities Laws, including Rules 204A-1 under the Advisers Act, and Rule 17j-1 under the Investment Company Act, the fiduciary duty owed to Clients, and the Company's Code of Ethics, Personal Investment and Trading Policy and Statement on Insider Trading (shared jointly with the Registered Funds and collectively hereafter, the "*Code of Ethics*").
- *Duty to Report Violations.* Each supervised person is required by law to promptly notify the CCO in the event they know or have reason to believe that they or any other supervised person has violated any provision of the Code of Ethics. If a supervised person knows or has reason to believe that the CCO has violated any provision of the Code of Ethics, such supervised person must promptly notify the Company's President and is not required to notify the CCO.

Versus Capital is committed to fostering a culture of compliance and therefore urges its supervised persons to contact the CCO if they believe there is any reason to do so. A supervised person will not be penalized and their status at Versus Capital will not be jeopardized by communicating with the CCO or reporting a suspected violation in good faith. Reports of violations or suspected violations also may be submitted anonymously to the CCO. Any retaliatory action taken against any person who reports a

violation, or a suspected violation, of the Code of Ethics is itself a violation of the Code of Ethics and cause for appropriate corrective action, including dismissal.

- *Duty to Provide a Copy of the Code of Ethics and Related Certification.* Versus Capital shall provide all supervised persons with a copy of the Code of Ethics and any subsequent amendments made to the Code of Ethics. By law, all supervised persons must in turn provide written acknowledgement to the CCO of their initial receipt and review of the Code of Ethics, their annual review of the Code of Ethics and their receipt and review of any subsequent amendments to the Code of Ethics.

For more information or a copy of Versus Capital's Code of Ethics, please call 877-200-1878 or visit our website at [www.versuscapital.com](http://www.versuscapital.com).

### ***Participation or Interest in Client Transactions***

Other than a limited number of investments previously made for the Proprietary Account, Versus Capital does not engage in any proprietary trading for its own account nor does it envision a circumstance where it would engage in a principal or agency cross transaction (a “*Cross Trade*”) on behalf of a Client. Should a circumstance arise where a Cross Trade is deemed appropriate amongst the Registered Funds, the Registered Funds’ policies and procedures will dictate the appropriate protocol, subject to the oversight of each Registered Fund’s Board of Directors. The Proprietary Account is invested in securities that are also owned by one or more Registered Funds and may make investments alongside a Registered Fund. To the extent the Proprietary Account invests alongside a Registered Fund, it will do so subject to the requirements of the Investment Company Act and the Company’s and Registered Funds’ policies and procedures. For additional information on the Company’s trade aggregation practices, please refer to *Item 12: Brokerage Practices* in this brochure.

Versus Capital serves as the investment adviser to the Registered Funds and employees, officers and directors of the Company or the Registered Funds may invest in securities owned by the Registered Funds and they may invest in the Registered Funds themselves, in all instances subject to the requirements of the Code of Ethics.

### ***Personal Trading***

In order to mitigate potential conflicts of interest, no supervised person is permitted to engage in a transaction in a security that is also the subject of a transaction by a Client if such transaction would disadvantage or appear to disadvantage the Client. In addition, no supervised person may, directly or indirectly, in connection with the purchase or sale of securities or other investments held or to be acquired by a Client:

- employ any device, scheme or artifice to defraud a Client;
- make to a Client any untrue statement of a material fact or omit to state to a Client a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon a Client; or
- engage in any manipulative practice with respect to a Client.

Pre-clearance and verification procedures are in place and govern investments and trading by the Company’s supervised persons. Pre-clearance is required for the following:

- participation in an Initial Public Offering;
- participation in a “limited offering” (which includes, but is not limited to, proposed transactions in a Private Fund);
- the redemption or sale of an interest in a Private Fund;
- all purchases or sales of real estate or real asset securities (as defined in the Code of Ethics);
- purchases and sales of the Registered Funds; and
- such other classes of transactions or specific transactions as may be specified from time to time by the CCO based upon a determination that the transactions may violate Rule 204A-1 under the Advisers Act or Rule 17j-1 under the Investment Company Act.

The minimum holding period for any investment requiring pre-clearance is 30 days, whereas Registered Funds have a minimum holding period of 90 days. If a Client trades a covered security within seven calendar days of a supervised person’s trades in the same direction (buy/cover or sell/short) and receives a less favorable price than the supervised person, the supervised person may be asked to disgorge their profits. All supervised persons provide the CCO with quarterly account statements or trade confirmations for each covered account. These quarterly reports are reviewed for verification of compliance with the Code of Ethics.

## **ITEM 12: BROKERAGE PRACTICES**

Versus Capital has the authority to place all orders for the purchase or sale of securities on behalf of the Registered Funds with selected broker-dealers, subject to the duty to seek to obtain “best execution”. Notwithstanding the foregoing, Versus Capital typically is not engaged in selecting or recommending broker-dealers for the Registered Funds because the Company has engaged, and intends to continue to engage, one or more Sub-Advisers to purchase and sell publicly traded securities for each of the Registered Funds. The Registered Funds’ subscriptions and redemptions in the Private Funds are generally conducted at each Private Fund’s net asset value in accordance with the offering documents that govern each Private Fund, though transactions in the secondary market do happen occasionally. The Registered Funds also pay certain arrangement fees to Arrangers in connection with the origination of Private Debt investments.

When effecting portfolio transactions on behalf of a Registered Fund, Versus Capital seeks to obtain the best overall terms available for the Registered Fund. While the Company generally seeks reasonably competitive spreads or commissions, the Registered Fund will not necessarily pay the lowest spread or commission available. In assessing the best overall terms available for any transaction, the Company considers various factors, including: (i) the nature, size and type of the security being traded and the character of the markets for which the security will be purchased or sold; (ii) the activity, existing and expected, in the market for the particular security and the desired timing of the trade; (iii) the proposed transaction price as compared to the current carrying cost of the investment; (iv) the speed and likelihood of execution; (v) the liquidity profile of the investment; (vi) the ability of a broker-dealer to maintain confidentiality, including trade anonymity; (vii) the quality of the execution, clearance, and settlement services of a broker-dealer; (viii) the liquidity needs, allocation requirements and investment guidelines of the broader Registered Fund portfolio; and (ix) the ability to redeem or purchase shares directly from the issuer.

*Direct Investments for the Registered Funds.* The Company typically sources direct investments for the Registered Funds, as appropriate, with the support of various experts who may work on behalf of the Registered Funds at the direction of, and with oversight from, the Company. For direct timber, agriculture and farmland investments made by the Sub-REIT, the Company has engaged two real asset property managers to help identify and provide services around the management, oversight and valuation of these

investments. In conjunction with direct Private Debt investments for VCRRX and VCRDX, the Company may utilize (1) approved Arrangers or other institutional managers that manage Private Funds that VCRRX and/or VCRDX invest in, or (2) an agency relationship with a broker-dealer with expertise in real asset related debt to identify investment opportunities and potentially provide services and oversight thereof. Typically, for any direct Private Debt investment, a Registered Fund invests as part of a syndicated loan origination. If transactions in the secondary market are deemed appropriate, the Company may work with the lead underwriter of past deals and/or a broker-dealer with specialized knowledge of the investment and/or asset class to identify potential buyers and sellers and arrive at appropriate pricing.

The Company anticipates that the Registered Funds and Proprietary Account could have overlapping positions. As such, the Company has policies and procedures designed to aggregate transactions and allocate investment opportunities among the Registered Funds and Proprietary Account on a fair and equitable basis over time.

*Investments by Sub-Advisers for the Registered Funds.* Each Sub-Adviser is directly responsible for the execution of its portfolio investment transactions and the allocation of brokerage. Transactions on U.S. stock exchanges and on some foreign stock exchanges involve the payment of negotiated brokerage commissions. On most foreign stock exchanges, commissions are fixed. No stated commission is generally applicable to securities traded in over-the-counter markets, but the prices of those securities include undisclosed commissions or mark-ups.

In executing transactions, each Sub-Adviser will seek to obtain the best execution for the transactions, considering factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm, and in the case of transactions effected by the Sub-Adviser with unaffiliated brokers, the firm's risk in positioning a block of securities. Although each Sub-Adviser generally will seek reasonably competitive commission rates, a Sub-Adviser will not necessarily pay the lowest commission or mark-up or mark-down available on each transaction. The Sub-Advisers have no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Following the principle of seeking best execution, a Sub-Adviser may place brokerage business on behalf of a Registered Fund with brokers that provide the Sub-Adviser and its affiliates with supplemental research, market and statistical information ("soft dollars"), including advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, and furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. The expenses of the Sub-Adviser are not necessarily reduced because of the receipt of this supplemental information, which may be useful to the Sub-Adviser or its affiliates in providing services to its other clients. In addition, the Sub-Adviser may not use all such supplemental information in connection with the Registered Fund. Conversely, in providing services to the Registered Fund, the Sub-Adviser may use information it receives from brokers and dealers in connection with providing services to its other clients. Each Sub-Adviser may execute portfolio brokerage transactions through its affiliates and affiliates of the Registered Funds or their advisers, in each case subject to compliance with the Investment Company Act.

Although each Sub-Adviser must make investment decisions independently for its clients, orders for clients may be grouped by the Sub-Adviser to obtain any efficiencies and lower commissions available on certain transactions. Brokers are usually selected by the Sub-Adviser on a transaction basis rather than client by client. Some simultaneous transactions are inevitable when several clients receive investment advice from the same Sub-Adviser. When two or more of a Sub-Adviser's clients are contemporaneously purchasing or selling the same security, the Sub-Adviser will generally allocate such securities among such clients in a manner it deems to be equitable to each. In some cases this approach could have a detrimental effect on any

particular client as to the price or volume of the security. However, the Company believes that the ability of clients to participate in volume transactions will generally produce better executions for the Sub-Adviser's clients, including the Registered Funds.

When trading the underlying mutual funds in each PIF, Versus Capital is required to submit transactions to the custodian/trustee of the PIFs, who will then submit the orders to their designated mutual fund trading vendor for execution. There are no commissions charged by the mutual fund trading vendor for the PIFs' transactions in mutual funds and orders are not aggregated. The price paid or received for the PIFs' mutual fund transactions are always the end of day net asset value for each mutual fund transacted.

### **ITEM 13: REVIEW OF ACCOUNTS**

Versus Capital's Investment Committee is responsible for the oversight of all investment strategy and portfolio decisions. The Investment Committee is comprised of senior executives of Versus Capital and is led by the Company's CIO. The Investment Committee meets monthly, or more often if needed, to discuss investment strategy, the outlook of Client portfolios, individual investment issues for investments held in a Client portfolio, and to review portfolio models and holdings to ensure compliance with product policies, target allocations and strategies. Additionally, the independent Board members of the Registered Funds review the strategies and portfolio performance of each Registered Fund quarterly, and more often if required. The CIO, or his designee, reviews all Clients' investments on an on-going basis as a matter of practice rather than pursuant to any triggering event. The nature and frequency of reports to Clients or, as applicable, their underlying investors or beneficiaries, are determined by the particular needs of the Clients, investors or beneficiaries and may vary between monthly and quarterly. Clients or, as applicable, their underlying investors or beneficiaries, typically receive monthly or quarterly reports including valuations, statements from their custodians detailing all account activity and, in some instances, performance reports. These reports are typically provided by third-party service providers (e.g., Client custodians, administrators and other financial intermediaries). Investors in the Registered Funds also receive semi-annual and annual shareholder reports.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Currently, there are no existing client referral or other compensation arrangements between Versus Capital and any related person.

### **ITEM 15: CUSTODY**

Versus Capital does not hold, directly or indirectly, Client funds or securities, or have the authority to obtain possession of them. Whether or not Versus Capital is deemed to have custody over Client assets, the Company encourages all Clients to carefully review statements received from custodians or other third parties and compare their statements to those provided by Versus Capital, if any.

### **ITEM 16: INVESTMENT DISCRETION**

Versus Capital provides discretionary management on a continuous basis. Subject to a grant of discretionary authority, the Company invests the securities, cash or other property held in each Client's account in accordance with the Client's stated investment objectives, as described in the Relevant Documents. In each instance, Versus Capital is engaged by its Client via an investment management

agreement and, in the case of the Registered Funds, such agreement is reviewed and approved by a majority independent Board of Directors with oversight responsibility for each Fund. The investment strategies employed by Versus Capital for its Clients typically are focused on income-oriented investment objectives with a secondary focus on capital preservation and appreciation. Portfolio management services will not be rendered prior to the Client entering into a written agreement for services, which shall be maintained in the requisite Client file.

## ITEM 17: VOTING CLIENT SECURITIES

Versus Capital may be delegated the authority to vote proxies on behalf of its Clients. For the PIFs, the Non-Profit is responsible for voting all proxies of the underlying mutual funds. For the Registered Funds, Versus Capital is delegated the authority to vote proxies and in turn delegates its authority to vote proxies of publicly traded securities managed by Sub-Advisers to each respective Sub-Adviser, subject to Board approval and ongoing oversight of the proxy voting policies and procedures of each Sub-Adviser. If an issuer of a direct investment or a Private Fund held by a Registered Fund submits a matter for a vote, the Company will vote on the matter in a way that it believes is in the best interest of the Registered Fund and in accordance with the following proxy voting guidelines (the “*Voting Guidelines*”):

- In voting proxies, Versus Capital is guided by general fiduciary principles. Versus Capital’s goal is to act prudently, solely in the best interest of its Clients.
- Versus Capital attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder value.
- Versus Capital, absent a particular reason to the contrary, generally will vote with management’s recommendations on routine matters. Other matters will be voted on a case-by-case basis.

Versus Capital applies its Voting Guidelines in a manner designed to identify and address material conflicts that may arise between Versus Capital’s interests and those of its Clients before voting proxies on behalf of such Clients. Versus Capital relies on the following to seek to identify conflicts of interest with respect to proxy voting and assess their materiality:

- Versus Capital’s employees are under an obligation (i) to be aware of the potential for conflicts of interest on the part of Versus Capital with respect to voting proxies on behalf of Clients, both as a result of an employee’s personal relationships and due to special circumstances that may arise during the conduct of the Versus Capital’s business, and (ii) to bring conflicts of interest of which they become aware to the attention of certain designated persons.
- Such designated persons work with appropriate personnel of Versus Capital to determine whether an identified conflict of interest is material. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence Versus Capital’s decision-making in voting the proxy. All materiality determinations will be based on an assessment of the particular facts and circumstances. Versus Capital shall maintain a written record of all materiality determinations.
- If it is determined that a conflict of interest is not material, Versus Capital may vote proxies notwithstanding the existence of the conflict.
- If it is determined that a conflict of interest is material, Versus Capital may seek legal assistance from appropriate counsel for Versus Capital to determine a method to resolve such conflict of interest before voting proxies affected by the conflict of interest. Such methods may include:

- disclosing the conflict to a Client's Board of Directors and obtaining the consent from a Client's Board of Directors before voting;
- engaging another party on behalf of a Client to vote the proxy on its behalf;
- engaging a third-party to recommend a vote with respect to the proxy based on application of the policies set forth herein; or
- such other method as is deemed appropriate under the circumstances given the nature of the conflict.

Versus Capital shall maintain a written record of the method used to resolve a material conflict of interest. Information regarding how Versus Capital and the Sub-Advisers voted proxies related to portfolio holdings of the Registered Funds during the most recent 12-month period ended June 30<sup>th</sup>, as well as a copy of the Company's Proxy Voting Policy, are available without charge, upon request, by calling 877-200-1878.

#### **ITEM 18: FINANCIAL INFORMATION**

Versus Capital is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.