

Part 2A of Form ADV: Firm Brochure

Tremont Realty Management, LLC

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF TREMONT REALTY MANAGEMENT, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT THE FIRM AT TMORGAN@TREMONTCAPITAL.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT TREMONT REALTY MANAGEMENT, LLC, MAY ALSO BE AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

WE MAY REFER TO OURSELVES AS A "REGISTERED INVESTMENT ADVISER" OR "RIA." YOU SHOULD BE AWARE THAT REGISTRATION WITH THE SEC OR A STATE SECURITIES AUTHORITY DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. THE REGISTRATION DOES NOT IMPLY A RECOMMENDATION BY THE SEC OR ANY STATE SECURITIES AUTHORITY.

THIS COVER PAGE CONSTITUTES ITEM 1 TO THE TREMONT REALTY MANAGEMENT, LLC FIRM BROCHURE, FORM ADV, PART 2A.

Item 2: Material Changes.

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Tremont Realty Management, LLC will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

We have recently been made aware that the auditor for one of the Firm's client funds, while registered with the Public Company Accounting Oversight Board, is not subject to regular inspection by such Board in accordance with its rules. As a result the Firm did not fully comply with Rule 206(4)-2 (custody of funds or securities of clients by investment advisers, "custody rule"). Specifically, the Firm obtained annual audits but its auditor was not subject to regular inspection in accordance with paragraph (b)(4)(ii) of such custody rule. The Firm has updated its Form ADV to accurately reflect the status of its auditor and will comply with Rule 206(4)-2 for future periods.

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Item 4: Advisory Business

- A. Tremont Realty Capital, Inc., and its wholly owned subsidiary, Tremont Realty Capital, LLC, were formed in 2000 by Daniel O. Mee and Richard C. Gallitto, the firm's existing Executive Directors, to provide commercial real estate investment banking services to clients in the United States. Subsequently, Tremont Realty Management, LLC was formed as a wholly owned subsidiary of Tremont Realty Capital, LLC to act as investment advisor to a number of private funds. In addition, the equity owners of the firm formed a second affiliated investment adviser, Tremont Investment Management, LLC, in January 2014. Headquartered in Boston, the firm has grown to five regional offices and 16 staff. To date, it has invested in commercial real estate debt and equity opportunities, primarily through a series of discrete investment funds. For purposes of this Brochure, the RIA and its affiliates and parent are collectively referred to as "Tremont." The principal shareholders of the parent company are Daniel Owen Mee and Richard C. Gallitto. Together, they own equal interests totaling more than 60% of the equity interests of Tremont.
- B. Tremont provides real estate investment advisory services for direct and indirect investments in commercial real estate and debt directly or indirectly secured by real estate. These investments are typically made through closed-end private investment funds, separate accounts offered as single investor funds and private placement funds (collectively, the "Funds") as well as through separately managed account relationships. Tremont is a multi-faceted commercial real estate investment management company with an operating and investment platform that has access to multiple distribution channels and invests throughout the United States.
- C. Tremont provides investment management services to clients through privately offered pooled investment vehicles (the "Funds") and separately managed accounts ("Accounts") that invest in real estate or real estate related investments. Interests in the Funds are exempt from registration under the Securities Act of 1933, as amended, and the Funds are exempt under the investment Company Act of 1940, as amended. As such, the Funds are only offered via "private offering" and are intended only for investment by "accredited investors." The investment guidelines for the Funds are defined in the organizational documents for each fund and are tailored to the specific goals, objectives and operating guidelines of each vehicle.
- D. Tremont does not participate in wrap fee programs.
- E. The amount of client assets managed by Tremont on a discretionary basis, as of December 31, 2014, was \$122,422,996. The amount of client assets managed by Tremont on a non-discretionary basis, as of December 31, 2014, was \$49,749,616.

Item 5: Fees and Compensation

Compensation earned by Tremont for the provision of investment advisory services to the Funds and Accounts is generally comprised of management fees based on a percentage of capital committed and contributed for the Funds during the investment period, as well as a performance-based interest. Fees

and compensation are described within the organizational and operating agreements for each of the Funds or in the investment management agreements related to each of the Accounts. Management fees are based on net invested capital and are assessed monthly or quarterly depending upon the particular Fund or Account requirements. Fees are paid at the Fund level or Account and may be charged only in arrears, in accordance with the specific terms of each offering and agreement. Generally, fees are charged on a quarterly basis and are funded by the assets managed by Tremont. Each profit sharing structure differs by Fund and Account, as disclosed in the organizational documents or limited liability operating agreement for each Fund or the investment management agreements related to each of the Accounts. The Funds or Accounts may also allow the manager (or affiliate) to earn acquisition, financing or other fees for performing certain services in accordance with the relevant Fund operating agreement or the investment management agreements related to each of the Accounts.

Employees of the RIA's affiliated company, Tremont Realty Capital, LLC, who act as transaction originators for the Funds, are paid commission fees by borrowers or other parties unrelated to the Funds, the Accounts or Tremont, and on occasion by the Fund or the Accounts, but in all cases only where the payment is fully disclosed and permitted under the Fund or Account documents.

Item 6: Performance-Based Fees and Side-by-Side Management

Tremont may earn investment advisory fees for some of the Funds that the company manages that are incentive performance fees. The performance fees are based on a Fund distributing earnings to investors over a stated rate of return. In each case, the performance fees are specifically authorized by the Fund documents and disclosed in any Fund disclosure documents.

Performance fees create a risk in that Tremont may cause the Fund to make investments that are more speculative than it would for a Fund with similar investment guidelines that does not have performance fees. However, Tremont typically co-invests in its Funds and in most cases receives no performance fees until investors have received return of all capital plus any required preferred return, which aligns Tremont's interests with the client's and tempers this risk.

Funds that make similar investments, but do not pay performance fees, may have different investment advisory fees from each other, which can also create the risk that Tremont may allocate more attractive investment opportunities to Funds with greater investment advisory fees. However, because most of the Funds pay similar investment advisory and performance fees, this risk is diminished.

To mitigate the risks outlined above, each of the Funds has different investment guidelines and objectives and thereby do not compete with one another for the same investments. In addition, Tremont monitors the Funds for compliance with these investment guidelines and follows certain allocation policies. Under the allocation policies, if a particular investment is appropriate for several of the Funds, Tremont will apportion the investment in a manner determined to be in good faith to be fair and equitable. The apportionment will depend on the determination of all relevant factors, such as the Fund's investment objectives and cash availability.

Item 7: Types of Clients.

Tremont's clients are the two Funds that it advises, a managed account that it advises on behalf of a large institutional investor, and the Fund investors, which include large corporate pension plans and financial institutions, as well as high net worth individuals. In each case the Funds and Accounts were formed to provide the investors with access to a specific investment strategy within the United States commercial real estate industry.

As each Fund or Account has been specifically formed to target the strategies desired by these investors, Tremont has not established to date a minimum investment amount for any specific fund or Account, but has instead negotiated the investment amount with the investors for each Fund or Account. All of the underlying investors in the Funds and the Accounts qualify as both (1) a "qualified purchaser" as defined for purposes of Section 3(c)(7) of the Investment Company Act of 1940, and (2) as "accredited investors," as defined in Regulation D under the Securities Act of 1933.

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

The investment criteria used by Tremont for investing in or disposing of an individual real estate related asset is governed by the specific investment strategy adopted for each Fund or Account. For some Funds, one or more investors retain some decision authority. For the Accounts, the investors retain discretionary authority over each investment. Tremont's analysis of any particular investment includes a comprehensive review of the investment, negotiation of the terms of the transaction, due diligence regarding the investment and underwriting of the terms of the investment. During such process, Tremont may engage experts in the field of construction, leasing, brokerage, environmental engineering and property management to evaluate:

- The specific property,
- The current or potential tenants in such property, and
- The market or submarket in which the property is located.

Tremont is active in the management of the real estate assets held in its pooled investment vehicles. In determining whether to acquire a real estate asset or make a particular investment on behalf of the Funds, Tremont uses a team-oriented, research focused, pro-active investment process and a clearly defined investment strategy that:

- Identifies each potential asset's inherent competitive strengths and opportunity for unrealized value,
- Evaluates those factors that have the most impact on value, and
- Focuses on executing the acquisition/asset management/disposition process to maximize value.

Tremont's Investment Committee determines all assets to be purchased on behalf of the Funds and Accounts. The Investment Committee is made up of the following individuals:

Daniel Owen Mee

Born 1959

Harvard College, A.B.. 1981

Harvard Business School, M.B.A. 1990

Executive Director

Richard C. Gallitto

Born 1959

Harvard College, A.B.. 1982

Executive Director

G Douglas Lanois

Born 1960

University of Massachusetts B.B.A. Accounting and B.S. Hotel/Restaurant Management

CPA Qualified, 1985

Chief Financial Officer

An investment in any of Tremont's commercial real estate Funds or the establishment of an Account involves risk, including the risk that an investor can lose money. An investment in the commercial real estate Funds by itself or the establishment of an Account is not a balanced investment program for purposes of an investor's portfolio diversification needs. Investors should consult with their consultant or financial adviser regarding the appropriateness of an investment in any of these strategies for their overall investment program.

COMMERCIAL REAL ESTATE STRATEGY

In addition to real estate market information prepared by third parties, Tremont conducts in-depth primary research on real estate assets. Tremont's diligence includes on-site inspections, verifications of zoning, entitlements and building code compliance with public agencies, tenant interviews and discussions with area brokers and other real estate professionals. Tremont also employs third parties to conduct physical examinations, including seismic, structural, environmental and other investigations, when appropriate. Investment strategies vary by fund, but generally all of the Funds are structured to make equity and debt investments in commercial real estate assets primarily in the United States.

Tremont's commercial real estate strategy involves significant risks, as discussed in more detail below. Before deciding to invest in Tremont's strategy, prospective investors should read the pertinent Fund documents and pay particular attention to the risk factors contained in the Fund operating agreements or any applicable investment advisory agreement. Prospective investors should carefully consider the following factors in considering whether to invest in one of the Funds or establish an Account. The following list is not a complete list of all risks involved in connection with an investment in a Fund or the establishment of an Account.

INVESTMENT RISK

While leveraged real estate investments will offer the opportunity for higher cash flow and capital appreciation, such investments also involve a higher degree of risk. The profitability and survival prospects of leveraged real estate in which the Funds or the Accounts may invest may be particularly sensitive to recessions, Fund or Account difficulties, general economic and business conditions and increased interest rates. There is no guarantee that any of the capital contributed to a Fund or an Account will ever be returned or distributed to the investors. Any debt or equity investments in real property or financing vehicles owned by a Fund or an Account may decline in value.

GENERAL REAL ESTATE RISKS

Real property investments are subject to varying degrees of risk. Our investments will be subject to the risks generally associated with real estate investments, such as, among others, downturns in the global economy; local conditions; the quality and philosophy of the property managers and leasing agents; competition based on rental rates; attractiveness and location of the properties; the financial condition of tenants; availability of buyers and sellers of properties; quality of maintenance; insurance services and changes in operating costs. Real estate values are also affected by such factors as government regulations, interest rate levels, employment rates and availability of financing. Furthermore, the Funds and Accounts will, in certain instances, be dependent on the ability of third parties to successfully implement appropriate real estate strategies and operate the underlying properties of the Fund's and Accounts' investments. Such risks may adversely affect operating results or make the sale or refinancing of real estate investments difficult or unattractive.

DEVELOPMENT RISKS AND REDEVELOPMENT RISKS

Development and redevelopment activities conducted in connection with real property investments require additional time, which may delay the realization of a Fund's or Account's investment objectives for such investment. During such delay, an investment may suffer a significant decline in value due to adverse economic and market changes or other conditions affecting such investment. In addition, development and redevelopment activities may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations, defects in plans and specifications or other factors. Any delay in completing the development or redevelopment of an investment may adversely affect a Fund or Account and its investors.

LEVERAGE AND INTEREST RATES

Many of the Funds and Accounts utilize a leveraged capital structure, which includes borrowing money to fund portions of investments, thereby entitling a third-party to cash flow generated by such investments prior to the Fund or Account receiving a return. Such strategies are designed to enhance returns to investors. Fluctuations in interest rates may adversely affect a Fund's or Account's ability to acquire investments and may also adversely affect the performance of the Fund's or Account's investments. Use of borrowed funds to leverage acquisition involves a significant degree of financial risk

and can rapidly multiply the effect of any increase or decrease in value of any investment. It will also increase the exposure of the investments to adverse economic factors, such as interest rate fluctuations, economic downturns and other circumstances that could cause deterioration in the condition of the investments.

Item 9: Disciplinary Information

In the past ten years, neither Tremont nor any management person has been involved in any legal or disciplinary event that would be material to a prospective investor or client in any evaluation of Tremont's advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

- A. Tremont does not engage in activities requiring broker-dealer representation. Neither Tremont nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.
- B. Neither Tremont nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Tremont, through an affiliated company, may provide services for compensation in connection with the origination of transactions for investment by certain Funds or Accounts. For instance, an affiliate of Tremont acts as loan originator for transactions presented to the Funds and Accounts. Where such transactions are approved for investment by the Investment Committee or the Investor, the affiliate may receive an origination fee in connection with the closing of the transaction. Such services are compensated for at rates comparable to or less than prevailing rates charged by independent third parties in the locale where the services are performed. Note that in some cases, the Tremont Affiliate may represent an owner of an asset. In such cases, the Tremont Funds and Accounts may be competing with non-Tremont funds for a particular transaction, and Tremont affiliated employees may be paid success fees by such non-Tremont funds or other independent third-parties upon closing of a transaction. In most cases, the Tremont Affiliate compensation is the same regardless of what entity closes the transaction. In certain cases, a conflict may exist where the Tremont affiliated employee has an economic incentive to place the transaction with a non-Tremont fund. Tremont manages these conflicts by actively monitoring its employees to ensure that the presentation of the transaction to all parties is on a fair and reasonable basis without regard to fees and commissions to be received by Tremont or any of its affiliates. The ultimate decision as to whether to move forward with the transaction is made by the owner of the asset being considered for investment.

- D. Neither Tremont nor any of its management persons recommend or select other investment advisers for our clients.

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

- A. Tremont follows a Code of Ethics ("Code") that is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (the "Act"). A copy of Tremont's Code of Ethics is available to current and prospective investors upon request.

This Code establishes rules of conduct for all employees of Tremont and is designed to, among other things, govern personal securities trading activities in the accounts of supervised persons. The Code also includes safeguards designed to avoid conflicts of interests that could adversely affect our clients. In addition to requiring compliance with the applicable securities laws, the Code establishes policies and procedures designed to prevent the misuse of material, non-public information (including information regarding the Funds and investors in the Funds), and identifies activities that are either expressly prohibited or that require Chief Compliance Officer approval. Matters that could give rise to an appearance of impropriety, such as gift giving and solicitation, serving on boards of directors of public companies and political contribution payments and solicitation also require prior approval by the Chief Compliance Officer. The Code is based upon the principle that Tremont and its employees owe a fiduciary duty to the clients to conduct their affairs, including personal securities transactions, in such a manner as to avoid:

- Serving employees' own personal interest ahead of those of the clients,
- Taking inappropriate advantage of their position with Tremont, and
- Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

- B. Neither Tremont nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Tremont or a related person has a material financial interest.
- C. Neither Tremont nor any of its related persons invests in the same securities (or related securities, e.g. warrants, options or futures) that Tremont or a related person recommends to clients.
- D. Neither Tremont nor any of its related persons recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that Tremont or a related person buys or sells the same securities for Tremont's (or the related person's own) account.

Item 12: Brokerage Practices

Tremont does not generally purchase publicly-traded securities except for short-term investments as part of its temporary cash management activities. As a result, Tremont does not contract with broker-dealers, except in connection with short-term investments described as follows: in connection with temporary short-term investments of cash received from funding pending investment, and cash flow from operations or the sale or refinancing of assets pending further investment or distribution, Tremont neither employs nor engages a securities broker-dealer for any transaction related to any investments. Tremont does not have any soft dollar arrangements and does not expect to have this type of arrangement in the future.

Item 13: Review of Accounts

- A. Tremont's Investment Committee and asset management teams monitor the performance and investments of the Funds and Accounts on a regular and current basis.
- B. Tremont monitors each Fund's and Account's performance and investments on a regular and current basis.
- C. Fund investors or their designated representatives in the Funds generally receive some or all of the following written reports:
 - Quarterly Financial Statements
 - Quarterly Performance and valuations
 - Upon request (generally semiannual) update on investment operations and progress
 - Annual investment business plans
 - Annual audited financials
 - Tax returns

All of the current Tremont Funds investors and Accounts are provided any ad hoc information or reports that are reasonably requested as well as updates on the operations of Tremont.

Item 14: Client Referrals and Other Compensation

- A. No person who is not a client of Tremont provides an economic benefit to Tremont from providing investment advice or other advisory services to Tremont's client Funds.
- B. Tremont retains the services of one or more placement agents or investment bankers to market our Funds or raise capital from time to time. In general, such placement agents are paid a success fee amounting to a percentage of capital placed as a result of the placement agent's efforts. Some agents may be paid a monthly retainer that is offset by said success fee. Such fees

are paid by Tremont and not the Funds. In no cases are such payments made if in violation of any state or federal law, rule or regulation, including without limitation SEC Rule 206(4)-3 or similar state rules regarding solicitation and/or state rules requiring registration of investment adviser representatives.

Item 15: Custody

Tremont may be deemed to have “custody” within the meaning of Rule 206(4)-2 under the Advisers Act, such as Funds related to the operations of the real estate under Tremont’s management and certain promissory notes related to debt investments in underlying real estate assets. Tremont also has discretionary authority to establish bank accounts on behalf of certain clients in which to deposit funds received from clients or tenants at the real estate under Tremont’s management. These clients receive annual financial statements from third-party auditors engaged by the Funds and account statements on a monthly basis directly from the qualified custodian bank or institution holding such funds. Investors also will receive financial reports for the Funds that comply with the requirements of the respective Fund documents. Investors should carefully review the reports and annual financial statements for the Fund.

We have recently been made aware that the auditor for one of the Firm’s client funds, while registered with the Public Company Accounting Oversight Board, is not subject to regular inspection by such Board in accordance with its rules. As a result the Firm did not fully comply with Rule 206(4)-2 (custody of funds or securities of clients by investment advisers, “custody rule”). Specifically, the Firm obtained annual audits but its auditor was not subject to regular inspection in accordance with paragraph (b)(4)(ii) of such custody rule. The Firm has updated its Form ADV to accurately reflect the status of its auditor and will comply with Rule 206(4)-2 for future periods.

Item 16: Investment Discretion

The terms of the investment management agreements entered into between Tremont and the Funds in some cases grant Tremont full discretion to make investments on behalf of the Fund subject to investment guidelines that may be established by the clients and incorporated in the agreement. As a result, subject to such guidelines and established limits, Tremont may determine which assets to purchase, when to sell the assets and how to manage the assets, including decisions related to capital improvements and leverage on the assets. In other cases, Tremont does not have full discretion to make investments on behalf of the Fund or Accounts but instead makes recommendations to the Fund or Accounts and its investors who then must approve each new investment prior to Tremont taking action. Tremont’s current Accounts with funds available for new investment constitute non-

discretionary assets under management. The Fund documentation, including each Fund operating agreement, and each investment management agreement related to an Account describes in each case the extent to which Tremont has discretion over the investment decision.

Item 17: Voting Client Securities

- A. Tremont does not have authority to vote client securities, as noted in Part B below.
- B. Tremont does not currently invest in publicly-traded securities on behalf of its clients, except for certain short-term investments that are cash equivalents with no voting rights.

Item 18: Financial Information

- A. Tremont does not require or solicit prepayment of fees six months or more in advance.
- B. Tremont has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients.
- C. Tremont has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Tremont has registered with the SEC and is not required to be registered at the State level.