

Item 1 – Cover Page

Form ADV Part 2 Brochure

September 8, 2015

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*This brochure, dated September 8, 2015 ("**Brochure**"), provides information about the qualifications and business practices of Klaff Realty, LP and its advisory affiliates described herein ("**Klaff Realty**"), an Investment Adviser registered with the U.S. Securities and Exchange Commission (the "**SEC**").*

Please note that SEC registration status does not indicate a particular level of skill or training of Klaff Realty or its employees and that neither the SEC nor any state securities authority has approved this Brochure. The information in this brochure has not been approved or verified by the SEC or by any U.S. state securities authority.

If you have any questions about the contents of this Brochure, please contact us at 312-360-1234. Additional information about Klaff Realty is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is Klaff Realty’s initial brochure as a registered investment adviser.

We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may also provide other ongoing disclosure information about material changes and provide you with a new brochure based on changes or new information, as necessary, at any time, without charge.

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Item 4 – Advisory Business

Background and Ownership Structure

Klaff Realty, LP was founded in 1988 by Hersch M. Klaff and is owned directly and indirectly by Mr. Klaff and entities owned and controlled by Mr. Klaff and his family.

Klaff Realty, LP and its affiliated relying advisers, (collectively, “**Klaff Realty**”) serve as the sponsors, managers and/or investment managers of several private real estate investment funds (the “**Funds**”)¹. Klaff Realty also provides direct and indirect property management and development services (“**Property Management Services**”) for non-advisory and advisory clients.

Advisory Services

*All descriptions of the Funds in this brochure, including, but not limited to, their investments, the strategies used in advising the Funds, the fees and other costs associated with an investment in the Funds, and conflicts of interest faced by Klaff Realty and its affiliates in connection with advisement of the Funds are qualified in their entirety by reference to the Funds’ respective private placement memoranda, advisory agreements and governing documents including but not limited to the, operating agreements, limited partnership agreements, term sheets and any other applicable agreements provided to Fund investors (collectively, the “**Fund Documents**”).*

Klaff Realty engages in the acquisition, redevelopment and management of commercial real estate. The strategy evolved from acquisitions of real estate owned by retailers going through bankruptcy, restructuring and/or liquidation to acquiring the real estate-rich retailers themselves.

Klaff Realty provides continuous discretionary advice to the Funds and investors who have invested in the Funds. Klaff Realty’s advice is subject to the Fund’s investment objectives and guidelines, as set forth in the Fund Documents.

Regulatory Assets Under Management

As of August 31, 2015, Klaff Realty had “Regulatory Assets Under Management” of \$506,650,807 of assets on a discretionary basis and \$0 on a non-discretionary basis.

Item 5 – Fees and Compensation

Advisory Services Compensation

The specific terms for Klaff Realty’s compensation by each Fund are dictated by Fund Documents but may be negotiated with certain investors through side letters.

¹ Klaff Realty advises real estate funds. The sole reason that the “hedge funds” category on the Form PF is applicable to Klaff Realty is the result of the Form PF requirements such that the funds’ potential to borrow to an extent that deems the funds to be “hedge funds”. They are in all other respects real estate funds.

Management Fee – Each Fund pays Klaff Realty a management fee (the “**Management Fee**”). A Fund’s Management Fee will generally commence on the date of the Fund’s initial closing and thereafter will be paid quarterly in advance on the first day of each calendar quarter. The Management Fee will be based first on the committed capital to a Fund by its investors and, at the end of the investment period, on a percentage of aggregate equity invested, and will vary based on the amounts committed to the Fund by its various investors and the stage of investment cycle of the Fund. The Management Fee generally ranges from 1% to 1.5%, but may be negotiated lower for certain investors based on the size of the investor’s commitment to the Fund. For certain Funds that do not pay fees based on a percentage of committed capital they pay a fixed annual fee or an acquisition fee to Klaff Realty or entities controlled by Klaff Realty. These fees are described in the applicable Fund Documents.

Carried Interest – Klaff Realty or its affiliate will also be entitled to receive a distribution of the investment proceeds from its Funds (“**Carried Interest**”), generally subject to certain conditions such as the prior return of capital to Fund investors and/or prior payment to Fund investors of a certain rate of return on invested capital. Proceeds available for distribution will consist principally of cash generated from continuing operations of the assets owned by a Fund and/or the cash proceeds realized on the sale or refinancing of Fund assets. The Carried Interest is distributed in accordance with the Fund’s Documents. A Carried Interest is charged in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (“**Advisers Act**”).

Klaff Realty’s compensation will be deducted from the assets or distributions of the Fund as investors will not separately be billed for advisory services.

Certain investors in the Funds, who are generally related persons, employees, partners of Klaff Realty, affiliated persons, research consultants and others through their investment in a Fund or in the general partner of such Fund, may not be subject to a Management Fee and/or Carried Interest in connection with their investment in the Funds.

Fund Organizational Expenses - Each Fund typically pays all offering and organizational expenses including travel, accounting, printing, costs incurred in connection with negotiating side letters and other organizational activities incurred in the formation of the Fund and its related entities up to a certain maximum limit set forth in the Fund Documents.

No commissions, placement fees or other remuneration will be paid by a Fund to Klaff Realty or to any of its employees in connection with the offering and/or sale of interests in such Fund.

Fund Operational Expenses - Each Fund shall pay, or reimburse Klaff Realty for the payment of, all third-party expenses related to the operation of the Fund, including, without limitation, all legal, accounting and other fees and expenses relating to the business of such Fund which Klaff Realty is authorized to expend from time to time under the Fund Documents in such amounts as are reasonable. Without limiting the generality of the foregoing, such expenses shall include costs incurred in registering (or obtaining exemptions from registration for) securities owned by the Fund with the Securities and Exchange

Commission, and any securities exchange or any other similar authority; costs incurred in qualifying and maintaining qualifications of such securities under applicable state “Blue Sky” laws; other costs of acquisition, disposition and holding of securities; fees or other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against any governmental authority, agency or body, which fees and expenses are subject to indemnification pursuant to the Fund Documents; reports to and filings with governmental authorities, including without limitation, banking regulators in connection with anti-money laundering; the preparation of the Fund’s financial statements and other reports to the investors; if applicable, all costs and expenses attributable to the applicable assets of the Fund and relating, on a pro rata basis with other assets under management by Klaff Realty, to the filing, record-keeping, reporting and other requirements of Klaff Realty in connection with compliance with the Dodd–Frank Wall Street Reform and Consumer Protection Act, the Private Fund Investment Advisers Registration Act of 2010 and the regulations promulgated thereunder from time to time, as the same may be amended or superseded from time to time, including without limitation, all legal fees and third-party consultants’ fees. Item 12 of this Brochure provides a detailed discussion of the clients’ brokerage practices and related costs and fees.

Any expenses common to the Funds and to any other funds managed by Klaff Realty or its affiliates generally will be allocated among such entities on a basis reasonably believed by Klaff Realty to be equitable based on the relevant facts, such as the relative sizes of the participating funds and the particular circumstances that caused the expense to be incurred with respect to each participating fund.

For a more detailed description of the specific Management Fees, Carried Interest and expenses charged, please see each of the Fund’s specific Fund Documents.

Klaff Markets Holdings Fund

Klaff is the investment manager to Klaff Markets Holdings LLC (“**Markets Holdings Fund**”). Klaff Markets Holdings invests the majority of its assets in retail supermarket related investments through one or more other entities. Klaff Markets Holdings LLC is the master fund in a master-feeder arrangement. Klaff Realty receives an investment management fee from each of the feeder funds equal to 1.25% annually for investments under \$1,000,000 and 1% annually for investments over \$1,000,000.

Certain Klaff Realty relying advisers receive carried interests (performance fees) from the feeder funds as affiliates of the manager of the feeder funds that range from 20%-50% after certain threshold returns have been met, generally such as the prior return of capital to fund investors and/or prior payment to fund investors of a certain rate of return on invested capital.

Klaff also receives management fees at the portfolio level equal to \$437,500 for the first four years and incentive units based upon the outstanding equity of the portfolio company at the time the incentive units are exercised.

Bryanston Funds

Klaff Realty and its affiliates are the investment advisers to Bryanston Real Estate Opportunity Fund LP and to Bryanston Real Estate Opportunity Fund II LP (collectively, the “**Bryanston Funds**”). The Bryanston Funds focus on opportunistic and value-add strategies and invest primarily in real estate and related assets from retailers, developers, investors and other users of real estate assets in the United States.

Klaff Realty receives an investment management fee from the Fund equal to 0.375% of the aggregate amount of the Commitments made by Partners that are not the General Partner or Affiliates of the General Partner or the Management Company during the Commitment Period. Thereafter, the quarterly Management Fee will be equal to 0.375% of the aggregate amount of the Fund’s assets that have not been sold (adjusted downward for permanent write-downs) multiplied by the ratio of Commitments by Partners that are not the General Partner or Affiliates of the General Partner or the Management Company to the total Commitments.

Certain Klaff Realty relying advisers receive carried interests (performance fees) from the Bryanston Funds equal to 20% of distributions, not including the repayment of each investor’s capital, subject to the prior payment of a preferred return and the return of the Limited Partners’ capital.

Uruguay Agricultural Land Funds

Klaff Realty provides investment advice to the Uruguay Agricultural Land Fund and the Uruguay Agricultural Land Fund II through Terrapin-Klaff Investments LLC and Terrapin Klaff Investments II LLC respectively. These advisers receive a management fee during the investment period equal to 1.25% of aggregate Commitments made by the investors other than investors that are affiliates. After the investment period the management fee is equal to 1.25% of the aggregate capital contributions made by the investors not affiliated with management, provided that, as long as there remains a property in which the Fund has invested that has not been sold or permanently written down, the annual management fee payable after the expiration of the investment period shall be no less than an amount equal to the lesser of (i) \$350,000 and (ii) 1.25% of the aggregate capital contributions made by investors not affiliated with management.

Certain Klaff Realty relying advisers receive carried interests (performance fees) from the Uruguay Agricultural Land Funds that range from 20%-25% after certain threshold returns have been met generally such as the prior return of capital to fund investors and/or prior payment to fund investors of a certain rate of return on invested capital.

Non-Advisory Fees

Klaff Realty also provides non-investment advisory asset management services to certain non-advisory and advisory clients (including some of the Funds). For its services to these clients, Klaff Realty or entities controlled by Klaff Realty receives fees that are disclosed and agreed to the applicable clients.

Fees for such clients may be paid in advance or in arrears depending on the negotiated terms between Klaff Realty and such clients.

Limited Negotiability of Advisory Fees

The fees paid to Klaff Realty by the Funds may only be amended by agreement between the parties.

Termination and Fees

The events under which the Management Agreements with the Funds can be terminated are defined within the respective Fund Documents. Due to the nature of the real estate investments and the terms of the closed-end funds, an early termination would not result in a return of any fees to the Fund investors.

Indemnification

Under certain circumstances specified in the Fund Documents, the Funds are generally obligated under the Fund Documents to indemnify Klaff Realty, and its affiliates, officers, directors, shareholders, agents or employees, against claims, liabilities and expenses incurred by reason of performance of duties under the Fund Documents.

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

As described in Item 5, the Fund Documents provide that Klaff Realty and/or its affiliates will earn a performance-based fee in the form of a Carried Interest. Klaff Realty has a few accounts relating to small investments unrelated to the Funds for which it or its affiliates do not charge a performance-based fee. To the extent that any of the investments in these accounts are similar to the investments for the Funds, the fact that the Funds earn Carried Interest may present a conflict of interest to Klaff Realty. Klaff Realty mitigates such conflicts by following fair and equitable allocation procedures.

Item 7 – Types of Clients

As noted in Item 4 above, Klaff Realty provides discretionary investment advisory and asset management services to the Funds and certain investors in the Funds that operate as closed-end private real estate funds. Interests in the Funds and the Funds themselves are not registered under the U.S. Securities Act of 1933, as amended (“**Securities Act**”) or the U.S. Investment Company Act of 1940, as amended (“**Investment Company Act**”), respectively. Accordingly, interests in the Funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions, and the Fund is excluded from the definition of an “investment company” under Section 3(1)(1) and/or 3(c)(7) of the Investment Company Act.

Investors in the Funds were required to complete and submit a Subscription Agreement binding them to the terms of the Fund Documents. Each Fund has a required minimum investment that is subject to

exceptions as set forth in the Fund Documents. The required minimums range from \$250,000 to \$20,000,000. However, each Fund's General Partner or Manager has the discretion to waive or reduce the minimum initial investments or commitments and has done so for certain investors.

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

Investment Strategies, Instruments and Certain Related Risks

Methods of Analysis

Klaff Realty's employees comprise individuals who have experience in a range of disciplines, including investment, development, asset management, financing and taxation. These individuals collectively utilize their expertise and experience to support Klaff Realty in implementing the clients' investment strategies.

Investment Strategy

Klaff Realty makes recommendations, consistent with the Funds' respective investment strategies, as described in its Fund Documents. Investment recommendations will generally be made by Klaff Realty only if they meet the Funds' respective investment criteria, in terms of:

- underlying quality of assets;
- liquidity;
- provision of stable cash flows; and
- capital growth potential

Investment Methodology

Once a specific investment opportunity has been identified, a defined investment acquisition process is rigorously followed. Fund Documents are prepared that contain a detailed analysis of each investment opportunity, terms of investment, risk factors and subscription requirements.

Risk of Loss

On the basis that Klaff Realty advises clients that invest directly or indirectly in real estate interests, its clients' investments are subject to incidental risks of real estate ownership, development, financing and disposition, including:

- risks associated with changes in the general economic climate;
- changes in the overall real estate market;
- local real estate conditions;
- the financial condition of tenants, buyers, and sellers of properties;

- supply of or demand for competing properties in an area;
- accelerated construction activity;
- technological innovations that dramatically alter space requirements;
- the availability of financing;
- changes in interest rates;
- competition based on rental rates;
- energy and supply shortages;
- operating cost increases;
- various uninsured and uninsurable risks; and
- governmental regulations.

Additional risks associated with investing in real estate and real estate interests include:

Valuation. The value of any property or any investment can go down as well as up. The valuation of property is always, to an extent, based on the subjective approach of the appraisers involved.

Economic Volatility. The financial performance of the Funds may be adversely affected by the impact of general economic conditions, by conditions within the property market or by the particular financial condition of the parties doing business with the Funds. The returns achieved on an investment in the Funds, some of which hold investments based in other countries, are likely to be materially affected by the political and economic climate of the respective countries. In particular, changes in the rate of inflation and/or currency fluctuation may materially affect the Funds' financial performances or the value of an investment. Changes in landlord/tenant and planning law could also materially affect financial returns.

Deterioration of Credit Markets. The deterioration of the global credit markets has made it more difficult for financial sponsors to obtain favorable financing for their investments. The extent to which the Funds are able to obtain favorable financing terms for real estate investments by the Funds may affect the Funds' ability to generate attractive investment returns for clients. Borrowing exposes assets of the Funds to movements in loan interest rates and the possibility that, if the value of the investments falls, the principal repayment obligations may exceed the value of the security being granted.

Uncertainty of Projections for Investment Performance. The Funds' determinations to make a particular investment is based on a variety of projections, including projections regarding future growth rates and tenant demand in the applicable market, construction costs, rental and lease-up rates, and disposition timing and proceeds, all of which are inherently uncertain. The extent to which the actual outcome of any of these and other relevant events differs from the Funds' projections could materially affect actual returns to clients and could materially lower their returns. As the Funds generally expect to acquire investments with a view to holding them on a medium-to-long term basis, they are expected

to take several years to mature. As a result, while long-term performance of the Funds may be satisfactory, it is not expected that any significant amount of income or proceeds will be distributed in the early years of the Funds.

Lack of Liquidity. Investments in real estate or interests in real estate are highly illiquid and subject to industry cycles, downturns in demand, market disruptions, and the lack of available capital from potential lenders or investors (whether to finance or refinance client investments or for potential purchasers of such investments). Shares in the Funds are not freely transferable and no market for such shares currently exists, nor is one expected to develop. Upon the termination of the Funds, certain investments in unquoted companies may be distributed in specie so that investors in the Funds may then become minority shareholders in a number of unquoted companies. Furthermore, it may prove necessary for the Funds to dispose of properties at values which the Funds consider to be reasonable in the circumstances, but which represent discounts to book value, in order to manage an orderly winding up.

Environmental Matters. The real properties underlying the investments are subject to certain environmental laws, regulations, and administrative rulings, which establish standards for the treatment, storage, and disposal of solid and hazardous waste. Real property owners are subject to certain environmental laws which impose joint and several liabilities on past and present owners and users of real property for hazardous substance remediation and removal costs. Therefore, investments in real estate properties involve a substantial risk of loss from environmental claims arising in respect to any real property underlying the investments, such as undisclosed or unknown environmental problems or inadequate reserves for such claims.

Competitive Business; Delays; Fluctuating Demand. Real estate development is a highly competitive business which involves significant risks. These risks include those normally associated with changes in general or local market conditions (which can result from political, regulatory, economic, or other factors), competition for purchasers and tenants, and the cyclical nature of real estate and capital markets.

Other factors may also adversely affect the value of a client's investments, including:

- the quality of a building's tenants;
- an economic decline in the business operated by the tenants;
- the physical attributes of the building in relation to competing buildings, such as age, condition, design, appearance, location, access to transportation, and ability to offer certain amenities (e.g., sophisticated building systems and/or business wiring requirements);
- the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants;
- the diversity of the building's tenants or the reliance on a single or dominant tenant;
- the desirability of the area as a business location;
- the strength and nature of the local economy, including labor costs and quality, tax

- environment, and quality of life for employees; and
- an adverse change in population or employment growth.

Regulatory Considerations

The real estate development projects in which the Funds may invest may require the approval of or compliance with regulations of U.S., non-U.S. and other local governmental and regulatory authorities and, in some cases, consents of third parties. There can be no assurance that any required approvals and consents will be obtained on a timely basis, if at all. Further, regulatory enactments, including various permit or licensing requirements or changes in their interpretation by the applicable authorities, may limit the ability of a fund to manage or dispose of projects in a manner that would be most advantageous to the fund.

Additional Risks for Retail Grocery Funds

Highly Leveraged Investing.

The underlying portfolio transactions will be highly leveraged, and the ultimate return on investment will be in part dependent on the ability to successfully refinance this outstanding debt. The return on investment is further dependent on management's ability to successfully create operating synergies. Moreover, any material increase in interest rates available would have a material adverse effect on the portfolio company's results of operations and financial condition.

Achievement of Operational Savings from the Combination of Retail Grocery Business.

The gains or losses of investors in the Klaff Markets Holdings Fund will be heavily dependent on the ability of portfolio company to realize operational savings from the combination of certain business operations. Profit margins in the grocery industry are very narrow. In order to increase or maintain profit margins, strategies are used to reduce costs, such as productivity improvements, shrink reduction, distribution center efficiencies, energy efficiency programs and other similar strategies. Changes in product mix also may negatively affect certain financial measures. Whether or not any such savings will be achieved and the amount and continuation of any that are achieved cannot be predicted with certainty, and there is a material risk that the savings projected to be achieved, in light of the portfolio company's high leverage, the company's failure to achieve its hoped-for level of savings (as well as other business risks) may force the company to undertake disadvantageous business or asset sales or other action that would be unfavorable to the company and may ultimately result in the reduction of return on investors' investment in the company or the loss of some or all of that investment.

General Economic Conditions May Adversely Affect the Financial Condition and Results of Operations of the Retail Grocery Business.

The retail food and supply chain services businesses are sensitive to changes in general economic conditions, both nationally and locally. Recessionary economic cycles, higher interest rates, higher fuel

and other energy costs, inflation, increases in commodity prices, higher levels of unemployment, higher consumer debt levels, higher tax rates and other changes in tax laws or other economic factors that may affect consumer spending or buying habits may adversely affect the demand for products sold by the stores currently operated by target grocery stores. The United States economy and financial markets could decline and experience volatility due to uncertainties related to energy prices, availability of credit, difficulties in the banking and financial services sectors, a decline in the housing market, diminished market liquidity, falling consumer confidence and rising unemployment rates. As a result, consumers may be more cautious. This may lead to reductions in consumer spending, to consumers trading down to a less expensive mix of products or to consumers trading down to discounters for grocery items, all of which may affect the portfolio company's financial condition and results of operations. It is unclear if the current upward trend in the economy will continue. If not, the business, results of operations and financial condition of the businesses of the portfolio company may be adversely affected.

There Exists a High Level of Competition in the Retail Food and Supply Chain Services Businesses, which May Adversely Affect the Markets Holdings Fund.

The retail food businesses that would be conducted by the underlying portfolio companies face competition for customers, employees, store sites, products and in other important areas from traditional grocery retailers, including internet shopping, regional and national chains and independent food store operators, and non-traditional retailers, such as supercenters, membership warehouse clubs, combination food and pharmacy stores, limited assortment food stores, specialty supermarkets, drug stores, discount stores, dollar stores, convenience stores and restaurants. The ability to attract customers in this business is dependent, in large part, upon a combination of product price, quality, assortment, brand recognition, store location, in-store marketing and design, promotional strategies and continued growth into new markets. In addition, the nature and extent to which competitors implement various pricing and promotional activities in response to increasing competition and the portfolio company's response to these competitive actions, can adversely affect profitability.

Food and Drug Safety Concerns and Related Unfavorable Publicity May Adversely Affect Sales and Results of Operations.

There is increasing governmental scrutiny and public awareness regarding food and drug safety. The retail grocery businesses may be adversely affected if consumers lose confidence in the safety and quality of their food and drug products. Any events that give rise to actual or potential food contamination, drug contamination or food-borne illness may result in product liability claims and a loss of consumer confidence. In addition, adverse publicity about these types of concerns whether valid or not, may discourage consumers from buying products sold under the trade-names by which the stores indirectly owned by the Markets Holdings Fund operate or cause production and delivery disruptions, which may have an adverse effect on sales and results of operations.

Any Inability to Successfully Negotiate with Labor Unions or to Maintain Good Labor Relations May Lead to Labor Disputes and the Disruption of Business, which May Adversely Affect the Financial Condition and Results Of Operations of the Markets Holdings Fund.

A large number of employees employed by some of the businesses that the portfolio companies would own and operate after completion are unionized and more may become unionized. The relationship with unions, including labor disputes or work stoppages, may affect the sale and distribution of products, disrupt the conduct of business and have an adverse impact on the portfolio companies' financial condition and results of operations. In addition, the obligations of the portfolio companies under union contracts is a factor that does not burden many of portfolio companies' competitors, and can adversely affect their ability to compete in a cost-efficient manner.

Additional Risks for the Uruguay Agricultural Funds

1. Real estate development requires significant amounts of capital and takes significant amounts of time. The Uruguay Funds will continue to be dependent on obtaining significant amounts of capital and/or debt on favorable terms that will permit the acquisition, development, and operation of the farmlands on a profitable basis, and there can be no assurance that such capital or debt will continue to be available. In addition, real estate operations are dependent on economic, interest rate, employment and other factors that will be beyond the control of the Uruguay Funds.

2. All financial projections and forecasts provided to prospective investors by the Uruguay Funds have been based on anticipated future events and are not based on historical facts. Although the Uruguay Funds believe their current financial projections and forecasts are reasonable, the Uruguay Funds cannot guarantee future results of the Company or its performance.

3. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, which would adversely affect the Uruguay Funds' income and distributions.

4. The Uruguay Funds' projects will be subject to various Uruguay national and local regulations. The Uruguay Funds must comply with zoning and other land and/or farming restrictions, as the same may change from time to time. Klaff Realty will endeavor to cause the Uruguay Funds to procure and maintain all required permits and approvals, and to operate the projects in accordance with applicable laws, rules, regulations and ordinances. The Uruguay Funds' failure to do so could have an adverse impact upon its projects.

5. Investments in non-U.S. jurisdictions create additional risks to the Uruguay Funds, and the investment return to their respective investors. Fluctuation in the exchange rate between the U.S. Dollar and the Uruguay Peso may have an adverse impact on returns to the Uruguay Funds from their investments. Historically, exchange rates have fluctuated considerably, and there is no guarantee that future fluctuations in the exchange rate will not adversely affect the Uruguay Funds. In addition, future inflation in Uruguay could significantly increase the operational costs of the Uruguay Funds'

investments, thereby reducing the Uruguay Funds' respective returns on their investments. Moreover, investments in non-U.S. jurisdictions may subject the Uruguay Funds to certain further additional risks, including: the possibility of expropriation or nationalization; adverse political, social or diplomatic developments; limitations on the movement of funds or other assets between different countries; difficulties in invoking legal process abroad and enforcing contractual obligations; and the difficulty of assessing economic trends in non-U.S. countries. Lastly, the investment by the Uruguay Funds in any forward contracts or commodity positions is subject to counterparty risk and price volatility and may result in losses to the Uruguay Funds.

6. Agricultural investments are subject to inherent risks. The Uruguay Funds are exposed to price volatility for agricultural products. Such price volatility could have an adverse impact on returns to the Uruguay Funds from their respective investments and ultimately on the investment return to their respective investors. In addition, unpredictable weather conditions, pest infestations and diseases may have an adverse impact on agricultural production. Furthermore, the Uruguay Funds may incur increased transportation costs resulting from a lack of modern transportation infrastructure and the possible future degradation of Uruguay's existing transportation infrastructure.

7. The Uruguay Funds rely on third-party managers to operate and manage their respective farmlands and other investments. Accordingly, the Uruguay Funds' respective returns from their investments is highly dependent on the expertise, performance and trustworthiness of the third-party managers retained by the Uruguay Funds. No assurance can be made that the Uruguay Funds will be able to obtain and retain qualified managers, or that these managers will be able to achieve any particular result for the Uruguay Funds.

Item 9 – Disciplinary Information

Neither Klaff Realty nor any of its employees have been involved in any legal or disciplinary event that Klaff Realty believes is material to investors or prospective investors in their evaluation of Klaff Realty's advisory business or Fund management

Item 10 – Other Financial Industry Activities and Affiliations

As described in Item 4, Klaff and its affiliated advisers participate together in providing services to the Funds.

Conflicts may arise in instances where the interests of Klaff Realty and its affiliates may conflict with the interests of the Funds and the investors. In addition, Klaff Realty, its principals and affiliates have many interests in the real estate industry some of which may compete with or have conflicting interests to those of the Funds. The following discusses certain potential conflicts of interest.

Klaff Realty and its affiliates have ownership interests in other entities that currently own and operate real estate, and in entities that have made similar investments in the past to those of the Fund. These affiliates currently engage and will continue to engage in various real estate investment activities, including acquisition, financing, development and management. Conflicts of interest may arise as a result

of such real estate ownership and activities, particularly in connection with the ownership of real estate properties in the same markets targeted by the Fund. For example, the Fund may consider investments in Assets in which Klaff Realty and an affiliate may hold an ownership in, or such affiliate holds ownership interests in one or more of the Asset's tenants (or potential tenants). In any such instance, the Principals of the Fund may owe fiduciary duties to entities that conflict with its duties to the Fund.

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

Code of Ethics

Klaff Realty has adopted a Code of Ethics, which holds its employees to a high standard of integrity and business practice, in compliance with applicable U.S. laws and regulations. In serving its clients, Klaff Realty strives to avoid conflicts of interest or the appearance of conflicts in connection with the securities transactions of Klaff Realty and its employees. Klaff Realty and its personnel owe their clients a duty of honesty, good faith and fair dealing and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide it.

The Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports and initial and annual securities holdings reports submitted by all of Klaff Realty's Covered Persons. A Covered Person is either of the following: (a) any director, officer or member of Klaff Realty; or (b) any employee of Klaff Realty (i) who has access to nonpublic information regarding any client's purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or (ii) who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

The Code of Ethics requires the prior approval or prohibition of certain securities transactions. It also contains oversight, enforcement and recordkeeping provisions. Klaff Realty designed the Code of Ethics to ensure that the personal securities transactions, activities, and interests of its employees will not interfere with (i) making decisions in the best interest of its clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Hersch Klaff, managing principals, certain employees, related persons and other accredited investors may invest in the Funds, either through a general partner affiliate or as direct investors in the Funds. Klaff Realty or an affiliated general partner, as applicable, may reduce all or a portion of the Management Fee and/or Carried Interest related to investment held by such persons.

It is possible that related person(s) may have an interest or position in certain securities that Klaff Realty recommends to a client. Klaff Realty's express policy is that no employee may purchase or sell any security prior to implementing a transaction for an advisory account, which prevents benefits to employee(s) from transactions placed on behalf of advisory accounts. The Code of Ethics further includes Klaff Realty's policy prohibiting the use of material non-public information. It informs all employees that such information cannot be used in any capacity. A copy of Klaff Realty's Code of Ethics is available to its clients via e-mail at rsawyer@klaff.com or via telephone at 312-360-1234.

Item 12 – Brokerage Practices

Selection of Brokers

Klaff Realty does not adhere to any rigid formulas in making the selection of broker recommendations but weighs a combination of the criteria discussed in this Item 12. Klaff Realty has not fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms.

Securities Broker-Dealers

Klaff Realty does not engage in investment advisory activities that require securities broker-dealers (“**broker-dealers**”) in connection with its business.

Real Estate Brokers

Klaff Realty may, in some circumstances, select and recommend real estate brokers for Fund-related transactions. In the case where more than one broker introduces a possible opportunity, Klaff Realty will seek to recommend a broker on the basis of (i) the ability of such brokers to obtain best execution of the transaction and/or less commonly (ii) the reasonableness of commissions as compared to other brokers offering similar services. In all cases, the appointment would be directly established between the Funds and the broker.

Research and Other Soft Dollar Benefits

A “soft dollar” arrangement is an arrangement whereby an investment adviser recommends Fund brokerage, or recommends the payments of higher commissions, to a particular broker-dealer in return for research or other services from or paid for by such broker-dealer. Klaff Realty currently does not enter into soft dollar or comparable commission sharing arrangements with broker-dealers.

Brokerage for Client Referrals

Klaff Realty does not consider whether it has received an investor referral from broker-dealers in selecting or recommending brokers to the Funds.

Directed Brokerage

Klaff Realty does not enter into directed brokerage arrangements.

Allocations of Investment Opportunities, Transaction Aggregation and Allocation

Klaff Realty currently does not have more than one ‘active’ client with an open investment period, where the respective clients have the same, or similar investment objectives and strategies. Klaff Realty has adopted policies and procedures such that in the event there is more than one ‘active’ client with an open investment period where the respective clients have the same, or similar investment objectives and strategies, such an investment will be allocated in accordance with such policies and procedures.

Any potential conflicts of interest are considered and mitigated consistent with Klaff Realty's Conflicts of Interest Policy.

Co-Investments

Certain investors, by virtue of their class of shares held in a Fund, may co-invest in an investment, alongside the Fund to the extent that the Fund has determined that such co-investment opportunities are available to those investors as defined in the Fund Documents. Additionally, Klaff Realty affiliates and parties associated with Klaff Realty have the option to invest up to a certain amount in any investment, in accordance with the Funds' legal and constitutional documents.

Item 13 – Review of Accounts

Frequency and Nature of Review of Client Accounts

Oversight and Monitoring – Klaff Realty's investment team, is responsible for reviewing and monitoring each of the Fund's investments on a periodic basis. This investment team includes Hersch Klaff and specialists in investment analysis, research, asset management, capital markets and disposition. This team is responsible for identifying, evaluating, structuring and negotiating investments, overseeing the ongoing asset management of the operating partners and property and for oversight of financings, recapitalizations, and dispositions.

Reports to Investors - Pursuant to the individual Fund Documents reports to the investors may include: (i) annual audited financial statements of the Fund, (ii) annual estimates of the valuations of the assets in the Fund, (iii) quarterly unaudited financial statements of the Fund and (iv) such other information as is necessary for the preparation of tax returns.

Item 14 – Client Referrals and Other Compensation

Neither Klaff Realty nor its related persons will directly or indirectly compensate any person who is not a supervised person for new investor or client referrals.

It is Klaff Realty's policy not to accept or allow its 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 it provides to its clients.

Item 15 – Custody

To the extent required by law, the Funds' securities and funds are held by qualified custodians. Under the Advisers Act Custody Rule 206(4)-2, and either an annual audit is performed with by an independent public accounting firm and the audited financial statements are distributed to each investor or a surprise custody audit by an independent auditor is performed. Investors are urged to carefully review such audited financial statements.

Item 16 – Investment Discretion

Klaff Realty has full discretion and authority over all accounts subject to the investment criteria and objectives set forth in the Fund Documents.

Item 17 – Voting Client Securities

The Funds generally do not hold publicly-traded securities with voting rights. Any voting rights held by the Funds generally entail large or controlling interests of privately held issuers. Unlike the limited voting rights attributable to publicly-traded securities, the Funds may have broad voting authority on a wide range of matters affecting privately held issuers. Klaff Realty votes such interests, on behalf of the Funds, in the economic interests of the applicable Fund. Klaff Realty considers relevant facts, which may include, among many others, the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with a proposal, the effect on liquidity, and customary industry and business practices.

Klaff Realty has adopted a Proxy Voting Policy that ensures that proxies will be voted in the best interests of the clients and addresses any conflicts of interest that might arise as a result of Klaff Realty's proxy voting obligation.

Clients may obtain a complete copy of Klaff Realty's Proxy Voting Policy and Procedures or, to the extent a proxy was voted by Klaff Realty for the client, information on how Klaff Realty voted proxies for the client free of charge by submitting a written request to Klaff Realty or by calling 312-360-0606.

Item 18 – Financial Information

Klaff Realty does not require or solicit prepayment of fees six months or more in advance. Klaff Realty is not subject to any financial condition that would likely impair its ability to meet contractual commitments to its Funds.

Item 19 – Requirements for State-Registered Advisers

Form ADV Part 2 requires responses to Item 19 if an investment adviser is registered with one or more state securities authorities. This item is not applicable to Klaff Realty.