

Item 1: COVER PAGE

Part 2A of Form ADV  
Brochure for:

Maier Siebel & Baber

80 Sir Francis Drake Blvd, Suite 3F  
Larkspur, California 94939

November 18, 2015

This brochure provides information about the qualifications and business practices of Baber Investment Group, Inc. (the “Adviser”). If you have any questions about this brochure, please contact us at 415-591-9900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

Additional information about Baber Investment Group, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: MATERIAL CHANGES

This brochure was prepared in conjunction with Baber Investment Group, Inc's initial investment adviser registration and is a completely new document.

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#### Item 4: ADVISORY BUSINESS

##### Description of Maier Siebel and Baber

Baber Investment Group, Inc. is a California Corporation doing business as Maier Siebel Baber (“MSB”). The firm’s primary advisory business is real estate investment, real estate investment advisory (i.e. ownership strategy development), and real estate asset management. The firm directs its business primarily to institutional and high net worth investors interested in having direct ownership of commercial real estate assets. Maier Siebel Baber’s main offices are located in the San Francisco Bay Area community of Larkspur, in the same building where the firm began.

The Firm’s genesis occurred in 1981 when Peter K. Maier and Kenneth F. Siebel joined to form Maier & Siebel, Inc., with the primary objective of creating secure real estate investments as principals, in partnership with their high net worth private clients. In 1993, Kenneth A. Baber joined the Principals. After five years, the Principals elected to sell the fully integrated real estate investment and management firm to U.S. Trust Company, N.A. At the time of the purchase, Mr. Baber was promoted to the role of president, assuming full operating responsibility for the Firm. He was also elected Chairman of the newly established independent Board of the MSB Real Property Funds. Mr. Maier also joined the Funds’ Board, and he assumed the role of Chairman of the new Maier & Siebel, a division of U.S. Trust Company, N.A.

In June of 2000, U.S. Trust Company broke its 153-year legacy of independence and agreed to be acquired by The Charles Schwab Corporation. At this point, Mr. Maier became Chairman Emeritus and Mr. Baber’s role was expanded to include the strategic duties of Chief Executive Officer and his surname was added to the Firm’s identity to become “Maier Siebel Baber”.

Seven years later, Bank of America acquired U.S. Trust Company, along with its real estate investment division, Maier Siebel Baber, from The Charles Schwab Corporation. Shortly thereafter, Bank of America restructured its Alternative Investments Group, ceasing future sponsorship of many of its proprietary investment products, including those of its real estate investment division, Maier Siebel Baber. In 2007, Kenneth A. Baber commenced an effort to create a new real estate investment firm that would operate independent of the Bank. After a thorough review and the completion of asset transfer plans, Bank of America accepted Mr. Baber’s proposals to separate from the company, and approved the use of the name Maier Siebel Baber, a historic brand in the community. In April 2008, the new company was formed and permitted to operate as Baber Investment Group, Inc., doing business as, Maier Siebel Baber. Neither Peter K. Maier nor Kenneth F. Siebel have any role in the company today. Hereafter, all references to the “Firm” or “Maier Siebel Baber” in this document will mean Baber Investment Group, Inc., doing business as Maier Siebel Baber.

##### Types of Advisory Services offered

The Firm's investment activities are focused solely on Real Estate and encompass the acquisition, capital structuring, asset management and disposition of properties. Maier Siebel Baber provides a unique and sophisticated approach to identifying, evaluating and comparing real estate assets in terms of current value and the opportunity for future appreciation. Maier Siebel Baber's Principals have extensive experience identifying compelling investment opportunities and creating value through strategic asset management in the Western United States since 1981.

As seasoned real estate investment professionals, the management team understands the cyclical behavior of real estate markets. They have been successful investing in all phases of the cycle including stabilized recovery and even in the most tumultuous phases. The Principals are familiar with underwriting and operating distressed assets with the underlying principle in investment objective of creating value while seeking to protect investor capital.

Over the years the Firm has formed investment Funds to optimize different points of the cycle, having various investment objectives and with various hold periods. Fund strategies have ranged from those focusing entirely towards generating current cash flow, to those having capital appreciation as the sole objective. Maier Siebel Baber's most recent Fund's primary strategy was a blend between creating appreciation in value in the near term, and then generating compelling cash-on-cash yields. That same Fund targeted institutional quality, Class-A office buildings, located in high-growth secondary markets of the western United States. The Firm has experience in other sectors of the asset class as well; such as; industrial buildings, community retail centers, multi-family communities and related development parcels.

The Firm intends to launch pooled real estate investment vehicles structured as private funds.

In no event should this be considered an offer or an agreement to provide real estate advisory services directly to any recipient. Rather, this section is designed solely to provide information about MSB for the purpose of compliance with certain obligations under the Advisors Act and, as such, responds to relevant regulatory requirements under the Advisors Act.

#### Assets Under Management

As of November 18, 2015, MSB had discretionary regulatory assets under management of \$0 but anticipates raising over \$100 million in regulatory assets under management by March 18, 2016.

#### Item 5: FEES AND COMPENSATION

The fees applicable to each project or fund are set forth in detail in the offering materials for each specific project or fund. All prospective investors should review confidential offering materials

in detail before making any investment. A brief summary of the types of fees charged by MSB are listed below. Not all such fees are charged by each fund or investment vehicle.

#### FEES OF THE INVESTMENT ADVISOR

MSB charges an acquisition and disposition fee for each building in a project or fund. The typical acquisition or disposition fee, for example, is a percentage fee against a minimum of \$250,000. Because the costs of acquiring, improving and disposing of a building are relatively the same regardless of deal size, the firm imposes a minimum fee on all transactions.

In the Secondary and Tertiary markets where MSB most often operates, the average investment size is typically lower than the average size in the Primary markets. This causes the Firm to assess investments as small as \$5 Million, but to average closer to \$25 Million per investment. If the Firm were limit itself to transactions of \$25MM or greater it would likely miss meaningful opportunities. By assessing a minimum \$250,000 acquisition fee, the firm can consider small, but quite often, meaningful acquisition opportunities.

Additionally, because the firm has been operating in secondary markets for years, it is relatively well known by the major brokers and therefore sources most of its investments “off market”. However, the costs and work effort with these sometimes smaller quality investment opportunities can often be higher. These smaller sellers and owners are not as familiar with the level of pre-sale preparation and documentation that an institutional client would require and thusly the cost to process such a property is higher. Having a fixed minimum cost to complete a proper underwriting of these difficult but valuable opportunities is a meaningful tool to have available.

- Other fees include:

Financing Fee: A percentage of the net new loan proceeds from certain financings subsequent to the initial purchase.

Asset Management: The Asset Management Fee for any single year will be a sum of the fees earned as a result of the Investment Advisor’s completion of the three following duties:

Annual Base: An annual base fee as a percentage of the Property Value. The Property Value for purposes of this specific Asset Management Base Fee calculation shall be established as the "Property Purchase Price" during the first 24 months of the investment period, and thereafter the Annual Base fee valuation component shall be calculated utilizing a formula based on the net operating profit of the property relative to a hurdle rate.

Lease Negotiation: a percentage of the amount of net new lease income contracted. This fee for the direct lease negotiation is in addition to commissions charged by the listing brokerage firm.

Construction Planning, Management and Oversight: a percentage of the cost of any construction of capital improvements and tenant improvements, as expended. MSB does not retain or compensate any other construction management service firm for work provided or attributable to the Property from any other third party.

Third Party Fees: MSB may also pay direct market standard fees to third parties as would be common practice in the marketplace. Such fees could include items such as brokerage commissions for leasing, as well as fees required by Lenders or their placement agents.

Personnel Fees: In certain instances, MSB may charge a fund or investment vehicle client a percentage of MSB employee and personnel fees.

MSB typically uses the following fee parameters in calculating performance objectives and distributions; however, actual fees vary from investment vehicle to investment vehicle and investors should review the terms of each investment fully before investment:

Preferred Return: a simple non-cumulative percentage return for any fiscal year.

After payment of the Preferred Return for any fiscal year, operating cash flow and extraordinary cash proceeds are paid on the following IRR Hurdles or 'Waterfall':

| Hurdle Rate  | Sponsor | MSB  |
|--------------|---------|------|
| < 10 to 17 % | 80 %    | 20 % |
| > 17 to 22 % | 70 %    | 30 % |
| > 22 %       | 50 %    | 50 % |

#### OTHER FEES/EXPENSES ASSOCIATED WITH MANAGEMENT SERVICES

MSB may charge separately for any additional fees not covered by the management fees. Such fees are disclosed in the relevant offering documents for each project or fund. Additionally, MSB may enter into other types of real estate advisory relationships which may not include actual ownership of a property, but rather are based on certain performance related benchmarks

for repositioning a non-owned property. In such cases, fees are based on a contractual agreement between the property owner and MSB.

Additionally, from time to time MSB may also pay direct market standard fees to third party expert consultants and as would be common practice in the marketplace. Such fees are then passed through to clients or funds without markup. These fees could include items such as environmental reviews, legal opinions and reviews, brokerage commissions for leasing, and servicing fees as required by Lenders or their placement agents. These fees shall either be budgeted in advance or approved as required in the applicable operating agreement.

#### BILLING

Depending on the nature of the assignment, MSB may bill the client for services or may bill the Fund for such expenses. In all cases, fees are clearly delineated in advance in either an engagement letter or a Fund document. Fees are billed quarterly in arrears.

Additionally, the fees charged by MSB are exclusive of any costs related to custodians or other third parties. Clients should review such fees, if applicable, to fully understand the total amount of fees incurred.

#### COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

This is not applicable as MSB does not sell any securities or other investment products other than its own real estate projects.



## Item 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

MSB receives a preferred return as discussed above in Item 5. MSB only charges performance based fees on specific engagements or funds, and discloses such fees as part of the offering documents for each fund, or in an engagement letter.

The performance based fee is a separate charge from the asset based fee described in the previous section. Such fees are charged to all clients in each engagement or fund based upon a schedule disclosed in the offering documents or engagement letter and are based upon clients obtaining a return of capital first, then a simple base rate of return. After both hurdles are achieved, performance based fees are charged to the project or fund.

MSB does not currently manage any accounts where it does not receive a performance based fee.

## Item 7: TYPES OF CLIENTS

MSB's clients consist entirely of private pooled investment vehicles and separately managed accounts. Minimum investments into each vehicle vary but generally range from \$100K to \$1,000,000K.

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

The descriptions set forth in this section of specific investment strategies pursued and investments made by MSB on behalf of its investors and should not be understood to limit in any way MSB's investment activities. MSB may make any real estate related investment, including any not described in this section, that MSB considers appropriate, subject to investment objectives and guidelines of each fund or engagement. The investment process MSB pursues is speculative and entails risk. There can be no assurance that the investment objectives of any client will be achieved.

### Investment Philosophy

Maier Siebel Baber focuses on the real estate needs of affluent private clients in the United States and abroad. The firm raises equity capital from clients by offering a range of real estate opportunities designed to match individual objectives and investment resources. MSB seeks to create future value by making direct equity investments in select types of real estate assets. The firm's philosophy is to achieve current returns and create future value by making direct equity investments in select types of real estate assets that are within our conservative risk parameters.. As such, MSB follows several key principles:

#### Commercial Property Focus/Western Market Focus:

MSB has always focused its investment activities in commercial real estate, primarily office buildings, industrial properties and retail centers. The firm has limited experience in residential properties of any sort, speculative development, or hospitality properties.

The firm invests primarily in 6 markets in the Western United States. Those markets are: Seattle, San Antonio, Phoenix, Denver, Austin and Salt Lake City. The firm believes those markets provide excellent diversification away from "gateway markets" favored by most real estate advisory firms and offer a superior risk/return profile for investors.

#### Value Add Approach:

MSB employs a value add approach focused on commercial office, industrial and retail properties. As a value add advisor, MSB typically pursues properties with less predictable cash flows due to poor management, unfavorable financing, or undesirable physical appearance. In all cases, MSB seeks to correct the defects over time thus creating value for their investors.

MSB core competencies are acquiring investments which require financial restructuring, market repositioning and/or physical renovation. The firm is ideally positioned to capture these opportunities through utilizing its longstanding market relationships and leveraging its insight into the inherent value of assets located within the target markets mentioned above.

### Individual Investor Clients

MSB has always focused on the needs of the individual investor but has also completed projects with several large institutional investors. Virtually all projects are offered to individual and institutional investors through LLC investment vehicles. Such investments allow investors the opportunity to participate directly in commercial real estate projects as opposed to owning real estate via a REIT. Such focus allows investors to choose what projects best fit their investment goals, diversify among real estate asset classes (office, industrial, etc.) and geography.

#### Conservative underwriting

The firm has always followed a low risk strategy in its investing approach which results in lower leverage on all projects, adequate reserves to fund anticipated (and unanticipated) cash shortfalls. The firm has never had a default. Historically, the firm has averaged 44% debt on its investments, giving the firm adequate downside protection as assets are repositioned. Debt is employed at levels appropriate for the property and the repositioning strategy.

#### Focus on growth not income

As a value-add investor, MSB is typically investing into properties and preparing them for eventual sale. As such, the focus of the firm's investing activities is to increase the value of a building, not income generation. Investors generally do not receive any income from projects as any cash generated from new leases is put back into the property in the form of improvements which boosts long term value.

#### Investment Process

Because the firm operates in smaller markets and has transacted business in them for its entire history, MSB has historical insight into values, cycles, owners and sellers in each of its 6 key markets. This allows the firm to perform due diligence beyond the data provided by major research vendors and understand the underlying value of an asset and its potential through repositioning. The firm believes that its market knowledge in its key markets allows it to know more about a building than the buyer or seller. The firm has a deep understanding of the key players and trends in each market and tracks multiple sources of key data for all. The firm's unique WSSI index is an example of this deep knowledge. The fact that virtually all the key acquisitions are off market is an indication of MSB's deep knowledge and relationships.

MSB creates value generally utilizes a fundamentals driven, top-down methodology that is broken into three separate processes that seek to identify:

#### SOURCING - WEAKNESS AND OPPORTUNITY

This step focuses on properties that capitalize on these demographic opportunities and offer significant opportunities for repositioning;

Once a market (or markets) with sufficient growth characteristics is identified, MSB uses its longstanding relationships in each market to identify likely buildings for repositioning. The key issue is the ability to purchase properties substantially below their market price, solve the issues that are hindering them from achieving a market price, and combine that with mid- to long-term leases. This creates an opportunity for skilled investors to achieve higher returns. Generally MSB sources these properties “Off Market” and any property will present one or more of the following characteristics:

**TENANCY ISSUES:** Commercial buildings are valued on the basis of a cap rate applied to the net operating profits of a building. When a building has a poor mix of tenants, shorter term leases, below market leases, high vacancy rates, operating profits are low and the value of the building follows. Such weaknesses create opportunity for MSB to generate profits by moving the leases to a more acceptable structure and generating higher operating profits.

**CAPITAL STATUS:** Buildings may have problems with their capital structure in that they have too little capital to pay for needed tenant improvements, capital improvements or even loan servicing. There may be instances where the ownership structure is not conducive to maintaining a building in its optimal condition. MSB seeks to clearly identify such issues, devise a strategy to solve the problems, and look for the opportunity to capitalize on them.

**ENVIRONMENT:** MSB anticipates and embraces the changes brought on by today’s uncertain macroeconomic climate, capturing current value creation opportunities while investing in quality assets for the long term. For example, markets can become unstable when a major company relocates, creating significant vacant space. The Firm believes that it can successfully exploit, execute and capitalize on inefficiencies in the commercial real estate market.

## EXECUTION – CONTROL CREATES VALUE

Once a property has been identified and acquired, this process captures the value of the asset through physical, financial or tenant transformation.

MSB then evaluates each opportunity, develops a repositioning strategy and applies conservative underwriting standards designed to highlight the significant risks and opportunities for each project. Underwriting standards include providing adequate

reserves, coupled with realistic costs for renovation, tenant improvements, broker commissions and marketing.

**PLAN AND DEPLOY:** Every property acquired by MSB has a strategic plan developed that encompasses the physical improvements, tenant repositioning strategy, and capital restructuring or infusion. Such plans are extremely detailed with budgets that include architectural changes, construction, and timing. Most importantly, the strategic plan for any property includes the exit strategy.

**PHYSICAL RENOVATIONS:** Making physical changes to buildings is generally part of every project. Each property has a capital expenditure budget and timetable tied to the overall strategy. Renovations are generally made to correct physical issues (HVAC, lighting, etc.), updating the interior/exterior appearance (windows, finishes), floor layout (making better use of space), altering the parking to fit the need of the building, or any other need that will add to the value of the building.

**EXIT STRATEGY:** The target sale date is defined at the initiation of every project. All activities undertaken by MSB in its improvement process (renovations, new and renewed tenants with better lease terms, revised capital structure, or other issues are completed in a time frame that targets the building for optimal value. Sales are generally made to institutional buyers who desire income oriented properties.

## Market Identification

This process highlights cities with compelling demographic characteristics; MSB seeks markets where there are:

- a- Significant gaps between market perceptions and economic realities and
- b- Identifiable catalysts that could close such gaps.

## MARKET IDENTIFICATION:

The identification process begins with a review of data for all markets followed by MSB. Those markets include markets where MSB typically invests its client's money and includes Seattle, Portland, Phoenix, San Antonio, Austin, Denver and Salt Lake

City. In addition, MSB tracks the same characteristics for major Western markets such as Los Angeles and San Francisco.

In all cases, data that tracks educational attainment, employment patterns, workforce expansion, and other similar characteristics are compiled into a series of indices the firm calls the wUSi index (Western US Index) which is a proprietary compilation of this data that identify:

Key Leading Growth Indicators for each market, such as:

Is the employment force educated, qualified and improving?

Are companies continuing to grow?

Are the state and local authorities conducive to growth?

Is there adequate transportation of all forms to foster growth?

Can the fundamentals continue to improve allowing the market continue to grow?

This process allows MSB to stay out of the herd and avoid overbuilt situations or instances of just buying attractive priced deals. This keeps the focus on markets where major changes are either underway or about to take place. In all instances, the key function of the research is to focus on job growth and its sustainability as that ultimately drives the need and the pricing for commercial real estate assets.

## Investment Risks

### Market risk

The success of any asset or fund will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, commodity prices, changes in laws, and national and international political circumstances. Such conditions may affect the liquidity of any real estate investment and could impair profitability or result in losses. MSB's views on future markets, market conditions and properties may not turn out to be correct, and/or the properties may not achieve the level of performance previously achieved.

### Repositioning Risk

MSB employs a "value add" approach to real estate investing which implies that assets will have one or more problems which the MSB team will attempt to resolve through its management of the asset. Generally, properties purchased by MSB require physical and/or financial repositioning which may or may not result in a return for investors. The material risks involved in MSB's method of analyzing a property include receiving incomplete or inaccurate information from buyers, sellers, vendors or tenants. While MSB has a disciplined and deliberate investment approach, there may be times when business practices of counterparties are not fully disclosed or understood by MSB.

### Diversification risk:

#### Risks associated with individual projects versus funds:

MSB may choose to offer a fund comprised of a single asset versus a fund comprised of multiple assets. Such single asset funds are not diversified and carry a higher risk profile than multi asset funds. This may mean that a client experiences higher volatility of return, greater potential for impaired returns or loss than clients invested in funds comprised of multiple assets.

#### Risk associated with concentrated markets:

The real estate activities of MSB are concentrated in 6 secondary Western markets (Phoenix, San Antonio, Austin, Denver, Seattle and Salt Lake City). While these markets have tended to outperform other major markets in the West in years past, there may be times where conditions are reversed and these same markets underperform or become more volatile than the broader markets.



## Interest Rate and Credit Risk

Developments in the credit markets may have a substantial impact on the prices and liquidity of the assets in the MSB funds and may affect the success of such investments. While MSB has never defaulted on a loan and seeks to adequately fund reserves in advance of liquidity needs, there is no guarantee that funds will be available when needed. Additionally, should rates increase significantly, or credit become significantly restricted, the price and/or liquidity of real estate assets may be impaired.

## Use of Leverage

Leverage is an essential component of Real Estate investing. While leverage presents opportunities for increasing an asset's total return (or IRR), it also has the potential effect of contributing to losses as well. Accordingly, any event such as impairment of credit, higher interest rates, market risk or repositioning risk, or other conditions that adversely affects the value of the asset would be magnified to the extent the asset is leveraged. The cumulative effect of the use of leverage by an asset in a market that moves adversely to the asset could result in a substantial loss and would be greater than if such asset was not leveraged.

## Extraordinary Events

Global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes and may lead to depressed property prices, reduced liquidity and impaired availability of credit.

Item 9: DISCIPLINARY INFORMATION

Neither MSB nor any of MSB's management persons has had any legal or disciplinary events that would be material to a client's evaluation of the Form or the integrity of its management.

Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Broker-dealer or Registered Representative

Not applicable

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person

Not applicable

Material Business Relationships with Certain Related Persons

Not applicable

Recommendation and Selection of Other Investment Advisors

Not Applicable

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

### Code of Ethics:

MSB has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned by predominantly by persons associated with MSB and establishes procedures intended to prevent MSB, its personnel and certain of their relatives, from inappropriately benefiting from MSB’s relationships with its clients. The Code provides:

- Employees must at all times place the interests of clients first;
- Employees must not take any inappropriate advantage of their positions;
- Information concerning the identity of the personal financial circumstances of clients must be confidential;
- Independence in the investment decision-making process must be maintained at all times.

### Investment Activities of MSB and its Personnel:

From time to time, MSB and its principals and employees may make personal investments in properties in which MSB invests client funds. MSB and its principals and employees may only buy, sell or hold such properties under the same terms as other investors, and will pay the same fees as well. It is expected that if such investments are made the size and nature of these investments may change over time. Neither MSB nor its principals or employees is required to keep any minimum investment in any property or fund. From time to time, various potential and actual conflicts of interest may arise. MSB has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

The Firm monitors all employees’ securities transactions. The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by client investments and transactions. The Code also contains restrictions on and procedures to prevent inappropriate trading while MSB or its personnel are in possession of material nonpublic information.

### Investment in Securities Recommended to Clients:

MSB does not invest in securities. However, MSB and its principals and employees may make personal investments in properties in which MSB invests client funds. MSB and its principals and employees may only buy, sell or hold such properties under the same terms as other investors, and will pay the same fees as well. To the extent there are capacity constraints, entrance and exit opportunities will be offered first to clients.

### Investment in Securities at or about the Same Time Recommended to Clients:

MSB does not invest in securities. However, MSB and its principals and employees may make personal investments in properties in which MSB invests client funds. MSB and its principals and employees may only buy, sell or hold such properties under the same terms as other investors, and will pay the same fees as well. To the extent there are capacity constraints, entrance and exit opportunities will be offered first to clients.

#### Item 12: BROKERAGE PRACTICES

##### Selecting or Recommending Broker-Dealers:

MSB does not utilize the services of Broker Dealers. The firm does utilize the services of Real Estate brokers. Such services are limited to the purchase and sale of a property, the execution of a lease agreement and, on occasion, the local property management of a property. All such transactions are with unaffiliated brokers.

##### Aggregating the Purchase or Sale of Securities for Client Accounts:

Not applicable

## Item 13: REVIEW OF ACCOUNTS

### Periodic Account Review:

MSB does not manage separate accounts for investors. All real estate projects/funds are in unique LLC structures and each has a specific strategy and objective. Clients invest in each project/fund separately, not as part of an overall account. The firm does update investors regarding the progress of each project/fund towards its goal, but does not review overall accounts.

### Additional Account Review:

MSB does not manage separate accounts for investors. All real estate projects/funds are in unique LLC structures and each has a specific strategy and objective. Clients invest in each project/fund separately, not as part of an overall account. The firm does update investors regarding the progress of each project/fund towards its goal, but does not review overall accounts.

### Client Reports:

Generally, investor reports are provided annually for each LLC investment, except as otherwise agreed to by the client. Such reports include among other things, information on project/fund account value (based of criterion established in the Offering Memorandum), complete financial statements for the project/fund, an update regarding achievement of project/fund goals, and any changes in the strategy for the project/fund.

MSB also provides periodic updates regarding its key markets and leasing conditions which may include specific information on the investors project/fund as well. MSB personnel may participate in periodic project/fund reviews with investors at MSB's discretion.

In addition, MSB provides investors information for tax reporting as well as K-2s concerning their respective projects/funds within 120 days of year-end.

## Item 14: CLIENT REFERRALS AND OTHER COMPENSATION

MSB may from time to time utilize non-affiliated third party placement agents for either equity or debt. Such agents receive payment from MSB and such expense is borne by the firm, through a portion of the fees paid to the firm and allocations set forth in the Offering Memorandum. No referral fees or commissions are paid to the firm. All non-affiliated third party placement agents have written and signed agreements in place with MSB.



#### Item 15: CUSTODY

MSB does not utilize the services of a custodian for its projects/funds. It does maintain a separate disbursement account for each project/fund with a commercial bank from which funds are disbursed for all project or fund related expenditures including but not limited to debt payments, state, local and property taxes, management fees, construction costs, lease commissions, tenant improvements, maintenance, and other related fees.

Such funds are disbursed pursuant to a project/fund budget that is a key component of the original strategy and outlined in the Offering Memorandum. Budgets are reviewed and updated annually.

#### Item 16: INVESTMENT DISCRETION

MSB's investment discretion with respect to each project/fund is limited to its objectives and strategies as set forth in the Offering Memorandum. All activities are subject to a budget that is reviewed and updated annually.

#### Item 17: VOTING CLIENT SECURITIES

MSB invest on behalf of clients solely in real estate and real estate related assets. MSB does not hold publicly-traded securities which possess voting rights on behalf of clients.

#### Item 18: FINANCIAL INFORMATION

MSB is not aware of any financial condition reasonably likely to impair its ability to meet commitments to clients or those outlined in its Offering Memorandums for various projects/funds, and has not been the subject of a bankruptcy petition at any time since inception.