

Part 2A of Form ADV: Firm Brochure

Tremont Realty Advisors LLC

255 Washington Street
Suite 300
Newton, Massachusetts 02458
www.tremontcapital.com

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF TREMONT REALTY ADVISORS LLC (THE “FIRM”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT THE FIRM AT 617-332-9530, OR IN WRITING AT 255 WASHINGTON STREET, SUITE 300, NEWTON, MASSACHUSETTS 02458. 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 THE FIRM MAY ALSO BE AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

WE MAY REFER TO OURSELVES AS A “REGISTERED INVESTMENT ADVISER.” 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 FIRM’S 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, the Firm will notify clients of material changes on an annual basis. However, where we determine that an interim notification is important or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

The following changes have been made since the Firm's previous brochure dated April 5, 2016 and may be deemed material:

- The Firm closed its acquisition of certain of the assets of Tremont Realty Management, LLC. As part of this transaction, the Firm was assigned the investment management contracts of two clients and obtained \$143,342,761 in client assets to be managed on a discretionary basis and \$49,071,418 in client assets to be managed on a non-discretionary basis, all as of September 30, 2016.
- The Firm changed its name from "RMR Mortgage Finance LLC" to "Tremont Realty Advisors LLC".
- In connection with the above-described transaction, the general partner of one of the Firm's new private fund clients delegated to an affiliate of the Firm such general partner's rights and powers to manage and control the business and affairs of the such private fund client. Such general partner is controlled by individuals who are now employees of the Firm and/or the Firm's affiliates.
- This brochure contains changes that reflect these developments.

ITEM 3: TABLE OF CONTENTS.

Item 2:	Material Changes	2
Item 3:	Table of Contents	3
Item 4:	Advisory Business	4
Item 5:	Fees and Compensation	4
Item 6:	Performance-Based Fees and Side-by-Side Management	5
Item 7:	Types of Clients	6
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9:	Disciplinary Information	7
Item 10:	Other Financial Industry Activities and Affiliations	7
Item 11:	Code of Ethics, Participation of Interest in Client Transactions and Personal Trading	8
Item 12:	Brokerage Practices	8
Item 13:	Review of Accounts	9
Item 14:	Client Referrals and Other Compensation	9
Item 15:	Custody	9
Item 16:	Investment Discretion	10
Item 17:	Voting Client Securities	10
Item 18:	Financial Information	10
Item 19:	Requirements for State-Registered Advisers	10

ITEM 4: ADVISORY BUSINESS.

Tremont Realty Advisors LLC (the “Firm”) is a newly organized registered investment adviser, formed on March 29, 2016. The Firm advises private funds (“Funds”) and separately managed accounts (“Accounts”) that invest in commercial real estate debt, including secured mortgage debt and mezzanine financing opportunities. The Firm may also provide advice with respect to real estate that may become owned by Funds or Accounts as a result of their ownership of such commercial real estate debt.

The Firm’s advice is generally limited to the types of investments discussed above. The investment guidelines for each Fund will be defined in such Fund’s organizational documents or management agreement with the Firm and will be tailored to the specific goals, objectives and operating guidelines of such Fund. Similarly, it is expected that investment guidelines for each Account will be set forth in an agreement with the applicable client and tailored to the specific goals, objectives and operating guidelines of the particular client.

The Firm is headquartered in Newton, Massachusetts and is a wholly owned subsidiary of The RMR Group LLC (“RMR LLC”), an alternative asset management company. RMR LLC is a majority owned subsidiary of The RMR Group Inc., a public holding company that conducts substantially all of its business through RMR LLC. Messrs. Barry Portnoy and Adam Portnoy control The RMR Group Inc. through their ownership of the controlling shareholder of The RMR Group Inc.

As of September 30, 2016 the Firm managed \$143,342,761 of client assets on a discretionary basis and \$49,071,418 of client assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION.*Management and Performance Fees*

Compensation earned by the Firm for the provision investment advisory services to Funds and Accounts will generally be comprised of management fees based on a percentage of capital committed or contributed for Funds during the investment period, or under management for Accounts, and may also be comprised of performance based fees or allocations. The Firm does not have a fee schedule and fees are individually negotiated. The Firm expects that all of its clients will be “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act. Fees and compensation for each Fund or Account will be described in the organizational and operating agreements for such Fund or in the investment management agreement related to such Account. Management fees are generally assessed monthly or quarterly in arrears and are either billed to clients or deducted from client assets depending on the specific terms of the Firm’s agreement with such client.

Other Fees and Expenses

Clients will bear administrative, operating and other expenses to the extent set forth in their respective agreements with the Firm.

The Firm or its affiliates may act as transaction originators for Funds or Accounts. In this capacity, the Firm or its affiliates may be paid commission fees by borrowers or other parties unrelated to Funds, Accounts or the Firm, and on occasion by Funds or Accounts, but in all cases only where the payment is fully disclosed and permitted under Fund or Account documents. This presents a conflict of interest and may provide the Firm with an incentive to recommend transactions based on the compensation received by it or its affiliates, rather than on clients' needs. The Firm intends to address this conflict through review of all proposed compensation in connection with transactions for clients and full disclosure of such payments in advance of the execution of any such transactions for clients. The receipt of such payments are not expected to reduce the Firm's management or performance fees. Due to the nature of the investments the Firm typically recommends, it is unlikely that clients will be able to participate in the same or a comparable transaction without the origination efforts of (and consequent possibility of compensation to) the Firm or its affiliates where the Firm or its affiliates is originating a transaction for Funds or Accounts.

ITEM 6: PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT.

It is expected that some of the investment advisory fees that the Firm may earn will be incentive performance fees or allocations (that is, a fee based on a share of capital gains on or capital appreciation of client assets).

It is expected that all clients may be charged an incentive performance fee or allocation; however, the amount of such fee may vary among clients, which could create an incentive for the Firm to allocate more attractive investment opportunities to Funds or Accounts with higher fees. This risk may be mitigated to the extent clients have different investment objectives and guidelines such that they would generally not be expected to compete with one another for the same investments. Additionally, the Firm will monitor the Funds and Accounts for compliance with their respective investment guidelines and follow certain allocation policies. Under the allocation policies, if a particular investment is appropriate for several Funds and/or Accounts, the Firm will apportion the investment in a manner determined in good faith to be fair and equitable. The apportionment will depend on the determination of all relevant factors, such as the Funds' and Accounts' respective investment objectives, desired allocations and cash availability.

Incentive performance fees or allocations could create a risk that the Firm may cause a Fund or Account to make investments that are more speculative than it would if the Fund or Account did not pay incentive performance fees or allocations.

ITEM 7: TYPES OF CLIENTS.

The Firm's clients include or may include pension plans, institutional investors, high net worth individuals as well as other entities and financial institutions.

The Firm has not currently established a minimum investment amount for Funds or Accounts.

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

The investment criteria that the Firm uses 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 may retain some decision authority. For Accounts, investors may retain discretionary authority over each investment or certain types of investments. The Firm's analysis of any particular investment will include 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.

An investment in a Fund or the establishment of an Account will involve risk, including the risk that an investor may lose money. Investing in securities, including commercial real estate debt, mortgages and mezzanine financings, involves risk of loss that clients should be prepared to bear.

Investments in commercial real estate debt, mortgages and mezzanine financings generally expose clients to the risks of owning real estate and the risks of leveraged investing.

General Risks of Owning Real Estate-Related Investments

Risks associated with real estate related investments, such as commercial real estate debt, mortgages and mezzanine financings, and the potential ownership of real estate as a result of owning such investments, may result from downturns in the U.S. or global economy, local conditions, possible adverse changes in zoning laws, limitations on rents, the quality and philosophy of property managers and leasing agents, competition based on rental rates, attractiveness and location of the properties, environmental liability, the financial condition of tenants, availability of buyers and sellers of properties, quality of maintenance, the risk of casualty or condemnation losses and terrorist attacks, war or other acts that destroy real property, changes in operating costs, government regulations, interest rate levels, tax rates, and availability of financing. Investments in commercial real estate debt, mortgages and mezzanine financings may also be affected with risks arising from the use of real estate; for example, environmental cleanup risks for properties used to store hazardous materials or compliance costs arising from American with Disabilities Act for real estate which is open to public access.

Risks of Leveraged Investing

Leverage strategies are generally designed to enhance returns to investors but also increase the risk associated with the investment. Use of borrowed funds to leverage acquisitions involves a

significant degree of financial risk and can rapidly multiply the effect of any increase or decrease in the value of any investment. For example, a leverage strategy may increase the exposure of the leveraged investments to adverse economic factors, such as interest rate fluctuations, economic downturns and other circumstances that could cause deterioration in the value of the investments.

ITEM 9: DISCIPLINARY INFORMATION.

The Firm has no information to disclose applicable to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.

Certain conflicts of interests related to fees and other compensation to the Firm or its affiliates are described above under Item 5 and Item 6.

As described in more detail under Item 5, the Firm or its affiliates may act as loan originator for transactions presented to Funds and Accounts. If such transactions are approved for investment, the Firm or its affiliates may receive an origination fee in connection with the closing of the transaction. Additionally, in some cases the Firm or its affiliates may represent an owner of an asset. In such cases, certain Funds and Accounts may be competing for a particular transaction with other funds, accounts or investors that are not advised by the Firm, and the Firm or its affiliates may be paid success fees by such other funds, accounts or investors or other third parties as a result of any such transaction. A conflict may exist where the Firm or its affiliates have an economic incentive to place the transaction with a fund or account not advised by the Firm. The Firm and its affiliates will manage these conflicts by actively monitoring involved 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 the Firm or any of its affiliates. Also, in most circumstances, the Firm expects the ultimate decision as to whether to move forward with the transaction is made by the owner of the asset being considered for investment.

The Firm or an affiliate of the Firm may serve as general partner or managing member of a client Fund and may further have limited partnership or other economic interests in a client Fund. Additionally, personnel of the Firm or personnel of an affiliate of the Firm may control the general partner or managing member of a client Fund, which may also have limited partnership or other economic interests in a client Fund. Such an arrangement may lead to a conflict of interest between the Firm as investment adviser to the client and as employer to such personnel, and such personnel as control persons of the general partner or managing member of a client Fund. The Firm believes that these conflicts are mitigated by additional arrangements in place pursuant to which any such general partners or managing members of client Funds delegate to the Firm or an affiliate of the Firm such general partner's or managing member's rights and powers to manage and control the business and affairs of the Fund, subject to ongoing oversight by such general partner or managing member. The Firm also expects any such arrangements to

be temporary in nature and in place only until the Firm or an affiliate of the Firm can be substituted as general partner or managing member of the applicable client Fund.

ITEM 11: CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.

The Firm will follow a Code of Ethics and a Code of Business Conduct and Ethics (collectively, the “Code”) that is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (“Advisers Act”). A copy of the Code is available to current and prospective investors upon request.

The Code establishes rules of conduct for all employees of the Firm which rules are intended to, among other things, govern personal securities trading activities. The Code includes safeguards designed to avoid conflicts of interests that could adversely affect the Firm’s 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. The Code is based upon the principle that the Firm and its employees owe a duty to the Firm’s clients to conduct client affairs, including personal securities transactions, in such a manner as to avoid serving employees’ own personal interests ahead of those of the clients, taking inappropriate advantage of employees’ positions with the Firm, 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 conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Additional conflicts of interest that may be present in connection with the Firm’s management of client accounts, and how the Firm addresses those conflicts, are described under Item 5, Item 6 and Item 10. The Firm or an affiliate of the Firm may also serve as general partner or managing member of a client Fund and may further have limited partnership or other economic interests in a client Fund.

ITEM 12: BROKERAGE PRACTICES.

The Firm does not typically purchase publicly traded securities except for short term investments as part of its temporary cash management activities. As a result, the Firm does not expect to contract with securities broker-dealers except in connection with short-term investments, including temporary short-term investments of cash received from funding pending investment, cash flow from operations or the sale or refinancing of assets pending further investment or distribution. The Firm has not and does not expect to enter into any soft dollar arrangements.

ITEM 13: REVIEW OF ACCOUNTS.

The Firm's asset management teams monitor the performance and investments of the Funds and Accounts on a regular and current basis.

Fund investors or their designated representatives in the Funds, and clients who establish Accounts, generally receive some or all of the following written reports:

- Quarterly financial statements;
- Semi-annual reports on market conditions affecting targeted investments;
- Annual audited financial statements (for Fund clients);
- Tax returns or information appropriate to assist clients in preparing their own tax returns; and/or
- Such other or different information as may be specified in Fund documents or Firm agreements with clients.

Additionally, all Fund and Account investors are provided from time to time with any information or reports that are reasonably requested as well as updates on the operations of the Firm.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.

The Firm may retain the services of one or more third parties, consultants, placement agents or investment bankers, including agents or investment bankers that may be affiliates of the Firm (collectively, "Solicitors"), to market its Funds, raise capital for its Funds or solicit advisory clients from time to time. Generally, Solicitors will be paid a success or referral fee amounting to a percentage of capital placed with a Fund or in an advisory account as a result of the Solicitor's efforts. Some Solicitors may be paid a monthly retainer that is offset by a success or referral fee. Unless the Fund or Account documents expressly provide otherwise, such fees will be paid by the Firm and not by the Fund or Account. In no case will such payments be made if in violation of any state or federal law, rule or regulation, including without limitation Rule 206(4)-3 under the Advisers Act or similar state rules regarding solicitation and/or state rules requiring registration of investment adviser representatives.

ITEM 15: CUSTODY.

The Firm may be deemed to have "custody" within the meaning of Rule 206(4)-2 under the Advisers Act as a result of activities or arrangements related to the operations of the real estate or real estate related debt under the Firm's management or certain promissory notes related to debt

investments in underlying real estate assets, because the Firm or an affiliate is the general partner of a client Fund, because of the role of Firm personnel or Firm affiliate personnel in the general partner of a client Fund or because the Firm or an affiliate has been delegated a client Fund general partner's rights and powers to manage and control the business and affairs of the client Fund. The Firm may further have discretionary authority to establish bank accounts on behalf of certain clients in which to deposit funds received on behalf of clients as a result of investments made by the Firm for clients. Clients are expected to receive account statements directly from any qualified custodian bank or institution holding client funds. In addition, Fund investors are expected to receive annual audited financial statements from third party auditors. Fund investors will also receive other financial reports for certain Funds that comply with the requirements of the respective Fund documents. Investors should carefully review such reports, account statements and annual financial statements and compare them to any statements or reports received from the Firm.

ITEM 16: INVESTMENT DISCRETION.

The terms of the investment management agreements that the Firm and its clients may enter into in some cases may grant the Firm full discretion to make investments on behalf of the Fund subject to investment guidelines or conflicts procedures that may be established by the clients and incorporated in the agreement. In other cases, the Firm will not have full discretion to make investments on behalf of a client but will instead make recommendations to such client who then must approve each new investment prior to the Firm taking action. The documentation relating to each client account will describe in each case the extent to which the Firm has discretion over investment decisions.

ITEM 17: VOTING CLIENT SECURITIES.

The Firm does not currently intend to invest in securities on behalf of its clients that carry voting rights. If the Firm becomes entitled to vote or consent on any matter with respect to client securities, it intends to seek instructions from the applicable client.

ITEM 18: FINANCIAL INFORMATION.

The Firm has no financial commitment(s) that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS.

The Firm has registered with the SEC and is not required to be registered at the state level.