

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of TGM Associates L.P. ("TGM Associates") and TGM AM LLC ("TGM AM") (collectively "TGM" or "Adviser"). If you have any questions about the contents of this Firm Brochure, please contact us at (212) 830-9310 or sbeacco@tgmassociates.com. 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.

Additional information about TGM Associates is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 108905.

TGM Associates is a registered investment adviser. Registration as an investment adviser reflects only that a firm has registered with the United States Securities and Exchange Commission and does not imply a certain level of skill or training.

Item 2 Material Changes

The last annual amendment to this Firm Brochure was dated March 30, 2020 and provides you with a summary of TGM's advisory services and fees, certain business practices and policies, as well as actual or potential conflicts of interest, among other things.

We are required to update certain information in our Firm Brochure promptly. "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; and any other information that is critical to a Client's full understanding of who we are, how to find us, and how we do business.

Material Changes:

Please review carefully the following material changes that have been made since the annual amendment filing on March 30, 2020:

- The departure of Veta Bills as Chief Compliance Officer ("CCO") and the appointment of Sharmin Beacco as the new CCO.
- Item 4 has been updated to reflect a new strategy employed by the Adviser. The Adviser will begin investing in Freddie Mac K-deal securitization ("K-Deals") on behalf of certain of its clients and investors on a non-discretionary basis. K-Deals are commercial mortgage-backed securities backed by obligations (including certificates of participation in obligations) that are primarily principally secured by mortgages on real property or interests therein having a multifamily or commercial use such as rental apartments, nursing homes, senior living centers and student housing.

Please note that the foregoing represents the only material changes made to this Brochure since our last annual amendment.

Full Brochure Available:

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (212) 830-9310 or by email at sbeacco@tgmassociates.com.

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Item 4 Advisory Business

TGM Associates is an SEC-registered investment adviser with its principal place of business located at 650 Fifth Avenue, 28th Floor, New York, NY 10019. TGM's principal owner is SFT Real Estate LLC (1987), Harris Trust & Savings Bank, Trustee. The general partner of TGM is TJG Holdings, Inc., whose sole shareholder is John Gochberg.

Pursuant to umbrella registration, this Firm Brochure describes the advisory services provided by TGM Associates as "filing adviser" as well as TGM AM LLC as "relying adviser".

Types of Advisory Services

TGM focuses on investing directly and indirectly in existing multifamily residential real estate in the Continental United States, providing investment management and advisory services to institutional clients, benefit plans pursuant to Employee Retirement Income and Securities Act ("ERISA") and state pension plans, through pooled investment vehicles (each, a "Client"). Members of TGM's team have worked together for over 28 years, acquiring, managing, and selling apartment properties. In connection with its investment advisory services, TGM also provides property management services.

Tailored Advice and Investment Restrictions

TGM's assets under management are held in pooled investment vehicles. To the extent practicable, TGM may agree to tailor its advice in respect of Clients outside of these pooled investment vehicles on a Client-by-Client basis and may agree to impose reasonable restrictions on the types of investments made on behalf of such Clients. Generally, our investment recommendations are limited to investments in multifamily properties.

Wrap Fee Programs

TGM does not participate in any wrap fee programs.

Client Assets Under Management

As of December 31, 2019, TGM's regulatory assets under management totaled \$2.3 billion, all of which was managed on a non-discretionary basis.

Item 5 Fees and Compensation

In consideration for providing investment advisory services, TGM earns a base Investment Advisory Fee of up to 1% of average daily equity invested in a private fund in accordance with Client agreements. Investment Advisory Fees are payable monthly, bi-monthly or quarterly in arrears.

TGM also earns an Incentive Investment Advisory Fee in consideration for its investment advisory services of up to 20% of a specified threshold in accordance with the applicable Client agreement. Incentive Investment Advisory Fees are paid during the relevant investment holding period or upon the liquidation of the investment in accordance with Client agreements.

TGM or an affiliate earns Property Management Fees for supervising the daily site level operations of the multifamily, residential real estate properties owned by private funds of up to 4% of Gross Rental Collections as defined in Client agreements. Such fees are payable monthly or quarterly in arrears.

Each Client has an advisory agreement that specifically states how the contract can be terminated before its expiration date.

Fees are billed to the Client, or paid directly from the private fund accounts, or as otherwise provided in the Client agreements.

TGM is deemed to be a fiduciary to Clients that are employee benefit plans pursuant to ERISA, and regulations under the Internal Revenue Code of 1986 (the "Internal Revenue Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TGM may only charge fees for investment advice about products for which our firm does not receive a commission.

TGM considers all fees to be negotiable. TGM does not require or solicit pre-payment of fees.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Expenses

The Clients generally bear their own expenses, including but not limited to: fees and out-of-pocket costs and expenses incurred in connection with the formation of the Client entity; legal, compliance and other expenses incurred in connection with the maintenance of the Client entity; the out-of-pocket charges and expenses of maintaining the Clients' bank accounts or of any banks, custodians or depositories, including the costs of bookkeeping and accounting services; the out-of-pocket charges and expenses for administering the Clients to the extent that such charges relate to services typically provided by third parties; all out-of-pocket costs incurred by TGM or its affiliates that are related to the Clients' operations, including travel costs, fees and other out-of-pocket expenses related to the investigation of investment opportunities, whether or not consummated, including all expenses incurred in connection with identifying (including finder's fees), evaluating, structuring and negotiating any potential investment and the acquisition, ownership, management, financing, hedging, holding, sale, proposed sale, other disposition or valuation of any investment (transaction expenses); expenses relating to meetings with the investors in the Clients; expenses associated with the preparation and distribution of reports to investors in the Clients; and extraordinary expenses.

Property expenses, related to TGM's supervision of daily site level operations of the properties may include, amongst other expenses as detailed in the Clients' agreements, salaries, bonuses, commissions, taxes, insurance and other payroll related benefits for all personnel performing functions related to property operations employed by TGM or its affiliates either directly or indirectly.

In certain instances, these costs and expenses are capped at a level specified in a Client's agreement with TGM and/or may require preliminary approvals. If fees or expenses are shared amongst Clients, such fees and expense are generally allocated to each Client on a pro-rata basis or another method that TGM deems fair and equitable.

Clients may incur brokerage and other transactional costs. See Item 12.

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

As disclosed in Item 5 of this Firm Brochure, in addition to receiving Investment Advisory Fees and Property Management Fees, TGM is entitled to a performance-based fee from its Clients in the form of an Incentive Investment Advisory Fee. TGM earns such Incentive Investment Advisory Fee with respect to a Client if the returns to such Client exceed predetermined thresholds.

TGM endeavors at all times to put the interest of its Clients first as part of its fiduciary duty as an SEC-registered investment adviser; accordingly, TGM takes the following steps to address potential conflicts of interest:

1. TGM discloses to Clients the existence of all material conflicts of interest, including the potential for TGM and its employees to earn greater compensation from advisory Clients who pay performance-based fees and that performance-based fees may influence TGM's recommendations to the Client;
2. TGM collects, maintains and documents accurate, complete and relevant Client background information;
3. TGM's management conducts timely reviews of each Client's advisory agreement to verify that all recommendations made to a Client are suitable to that Client's specifications;
4. TGM has implemented policies and procedures for fair and consistent allocation of investment opportunities among all Client accounts; and
5. TGM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients and equitable treatment of all Clients, regardless of the fee arrangement.

A Client must understand the performance-based fee method of compensation and the risks associated therewith prior to entering into an advisory agreement with TGM.

Item 7 Types of Clients

TGM provides investment advisory services to pooled investment vehicles (other than investment companies and business development companies). The investors participating in the pooled investment vehicles may include sovereign wealth funds, family office, pension and profit-sharing plans, trusts, estates, endowments, charitable organizations, corporations or other business and investment entities. Investors in the pooled investment vehicles are required to meet certain requirements, including being accredited investors (as defined in Regulation D of the Securities Act of 1933, as amended); qualified clients (as defined in the Investment Advisers Act of 1940, as amended (the “Act”)); and qualified purchasers (as defined in the Investment Company Act of 1940), as applicable, in addition to meeting general sophistication requirements.

Minimum investment requirements, if any, are disclosed in the relevant governing documents; however, such minimums may be waived at the discretion of the general partner of the pooled investment vehicles.

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

Method of Analysis

TGM does not presently exercise discretionary authority over any of its Client’s accounts. TGM makes recommendations to each Client regarding proposed real estate acquisitions, sales and financings, including K-Deals as discussed below. These recommendations are consistent with TGM’s understanding of each Client’s investment goals and expectations.

I. Investment Process

TGM makes recommendations to buy direct, large multifamily communities located in the Continental United States, as well as indirectly through K-Deals. TGM’s management and acquisition teams review markets for changing trends and dislocations, because dislocations in market pricing are evolving.

TGM evaluates national financial markets and local factors that affect supply, demand and a community’s “walk-ability” rating to target assets that it determines will likely have the most relative value. TGM adjusts its target markets, as appropriate, within the Continental United States based on TGM’s determination on market valuations and conditions. TGM focuses on markets that it determines has significant positive market pressure characteristics and for reasons that are non-pejorative to the market and/or property, may not be favored with competing investors (this limits buy side competition, which in turn allows acquisition of properties at better pricing than what would be available if there were a greater number of competitive bidders).

Factors that TGM considers when evaluating markets include the following: 1) the existence of barriers to new development, thus, we focus on markets that are constrained or semi-constrained (i.e., impediments to new construction – geographic, political, financial, etc.); 2) positive economic drivers, such as population growth at or above the national average and diversified growing economies that have a higher proportion of white collar jobs; 3) a deep pool of buyers with a propensity to rent rather than own; 4) large spread between rent levels and cost to own/carry a single family home; and 5) desirable

school systems. TGM also looks for opportunities where its rehab/construction and management expertise can add value, for example, properties that have significantly deferred maintenance.

TGM's proprietary property acquisition analysis strives to evaluate all multifamily properties for sale in the Continental United States that have more than 100 units. TGM typically reviews acquisitions opportunities on a weekly basis.

TGM's proprietary analysis includes a range of data points, including discussions with sales brokers, other owner operators and sellers, analysis from recent transactions, local operating experiences, discussions with national vendors, lenders, analysis of the financial and debt markets, and information obtained from various industry conferences. TGM's proprietary analysis of multi-family properties is focused to identify assets that meet the Client investment objectives, as well as to assess whether TGM should recommend changes to Client stated investment criteria.

TGM believes that its experience demonstrates that property management is most effective when closely coordinated with the investment advisory process. TGM's property management company is called TGM Communities. TGM Communities plays a significant role in TGM's acquisition, disposition and financing processes. TGM Communities' employees provide "real-time", local market knowledge, which may allow TGM to identify potential capital needs and related costs and to identify trends (positive and negative) earlier than information available to competing buyers that use third-party property managers.

Multifamily property acquisitions available to TGM are allocated to its Clients or may be purchased by TGM or its affiliates in accordance with TGM's Allocation Policy, which is disclosed to each Client.

The Investment Committee of TGM reviews the underwriting for property acquisition opportunities, including the "best and final" offer terms that would be recommended to Clients.

TGM's analysis includes formal and robust due diligence. The formal due diligence process generally commences after a property acquisition offer has been accepted by the property seller. Information acquired during the due diligence process is incorporated into the final economic analysis, which is reviewed by TGM's Investment Committee and is considered in the investment recommendation process, including recommendations to modify price or other acquisition terms.

TGM incorporates its property management professionals into the acquisition due diligence process. TGM believes that the group that is primarily responsible for operating a multi-family asset after its acquisition and that has evaluated the material underwriting assumptions during the diligence process, is better positioned and can more efficiently plan the transition of the property from the seller to the Client.

The typical procedures TGM performs during due diligence are as follows: TGM performs a walk-through of all apartment interiors, audits all resident lease files, conducts an exterior and common area inspection, meets with the applicable municipal departments,

reviews the competitive properties' rents, completes an evaluation of the onsite staff, analyzes the current utility billing program and areas for future economic opportunity and confirms the accuracy of the pre-due diligence revenue, operating and capital projections. Additionally, environmental and structural reports are obtained from a third party.

Freddie Mac K-Deals

As discussed in Item 2, Freddie Mac K-Deal securitizations are commercial mortgage-backed securities comprised of pooled mortgage loans where the underlying collateral are primarily market rate multifamily residential real estate. The loans comprising the pools are diversified in terms of borrowers, property type and location, and loan size. The diversification helps reduce risk. The pools are sold to a third-party depositor, which deposits the loans into a third-party trust and divided into various tranches or certificates ranging from senior certificates to subordinate certificates and mezzanine certificates, each with its own unique risk/reward profile. Freddie Mac purchases and guarantees all of the senior certificates issued by the third-party trust and securitizes the senior certificates via a Freddie Mac trust. The subordinate certificates and mezzanine certificates are not guaranteed by Freddie Mac. They are issued by the third-party trust and privately offered to third-party investors. Freddie Mac also purchases and guarantees certain subordinate interest-only certificates related to the senior certificates. The resulting Freddie Mac guaranteed structured pass-through certificates are then publicly offered by Freddie Mac via specialized placement agents. Investors buy the certificates, which represent slices of the loan pool. In return, investors receive specified portions of the cash flow that the loans generate.

TGM will be targeting K-Deals Class C unguaranteed mezzanine certificates and Class D unguaranteed subordinate certificates (the "K-deal Securities"). These certificates are backed by the same pool of loans as the senior certificates but without Freddie Mac's guarantee. Investors in the unguaranteed certificates are the last to receive a payout and the first to take any loss. Investors are rewarded for the increased risks by a potentially more favorable interest/payout.

TGM looks to acquire K-series securities at times when there is a material increase in yield-to-maturity (pricing) requirements from sellers than the historic norm. TGM has access to these deals through the relationships it has built in its years in business. TGM believes it has the ability to analyze and assess the K-Deals in greater detail in the shortened time frame required in the secondary market through its fully integrated, in-house investment management and operating platform. TGM believes it has the resources and capabilities to value and acquire a property after a default and to work with the borrower to maximize value of any distressed assets within a K-Deal pool pre-default. TGM has invested in a number of distressed/underperforming properties throughout its history. TGM believes its experience in this area will be instrumental in helping to shape the appropriate course of action necessary to maximize returns on any individual property within the K-deal pool where operations become unstable.

II. Property Monitoring

As discussed above, as a separate service, TGM provides property management, through its affiliate, TGM Communities, for its Client real estate assets for specified fees and on

terms that have been approved by the applicable Clients. TGM Communities is overseen by TGM's Chief Operating Officer with the support of TGM's regional teams, and subject matter specialists. TGM Communities provides full-service property management, including property level reporting to the Client.

III. Disposition of Property

TGM believes that a strong sell discipline is an essential element of a sound investment management strategy. TGM generally uses the same market and property analysis for sell recommendations as it uses for acquisition recommendations, supplemented by the additional local market and property information that it receives from property operations, which TGM believes is one of the significant advantages of being a fully integrated operating and investment advisory company.

Generally, TGM periodically provides Clients with recommendations regarding disposition of assets in each Client's portfolio.

There can be no assurance that the Clients' investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Each Client should be prepared to bear these risks. The success of TGM's investment activities will depend on its ability to identify investment opportunities that have the proper risk/reward balance. There can be no assurance that a Client's targeted rate of return will be achieved or that there will be any return of capital. The environment for real estate investments is increasingly competitive and no guarantee or representation is made that a Client's investment programs will be successful.

IV. Risk Factors

Investing in real estate and securities involves a risk of loss. Clients should be prepared to bear this loss, up to the entire amount of their investment. Investors in K-Deals bear the same risks of investing directly in multifamily residential real estate plus risks unique to K-Deals, as discussed in more detail below. Clients should refer to the risk factors in their Client agreements, or other documents (as applicable) for a more complete description of the risks associated with the investments that may be made on their behalf. The following risk factors do not purport to be a complete list or explanation of the risks involved in any investment made on a Client's behalf.

Risks of Fundamental Analysis

TGM's investment analysis relies on the assumption that the asset and market information gathered from publicly available sources is accurate and unbiased. While TGM is alert to indications that the information may be incorrect, there is always a risk that TGM's analysis may be compromised by inaccurate or misleading information.

Risks of Real Estate Investment

All real estate investments are subject to certain risks. Real estate investments are relatively illiquid and, therefore, will tend to limit TGM's ability to vary Clients' portfolio promptly in response to changes in economic or other conditions. No assurances can be

given that the fair market value of any real estate investments will not decrease in the future or that TGM will recognize full value for any investment that Clients are required to sell for liquidity reasons. In addition, the ability of Clients to realize anticipated rental income on equity will depend, among other factors, on the financial reliability of its residents and borrowers, the location and attractiveness of the properties, the supply of comparable space in the areas in which properties are located and general economic conditions.

Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability of property relative to demand, changes in costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, health pandemics and other public health crises, and uninsurable losses and other factors beyond the control of the TGM's management. Additionally, Clients may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the Clients will reduce the cash available for distribution and may require the Client accounts to fund deficits resulting from the operation of a property.

Clients should contact TGM for a more detailed description of the risks involved in an investment in accordance with the strategy utilized by TGM.

Risks of Investment in Development and Construction Projects

Development and construction work are subject to a number of risks, including the cost and timely completion of construction, risks of construction delays or significant cost overruns that may increase project costs, risks that the project will not achieve anticipated occupancy levels or sustain anticipated rent levels or generate anticipated revenue and new project commencement risks, such as the failure to obtain zoning, occupancy or other required governmental permits and authorizations. The ability to obtain zoning, occupancy or other governmental permits and authorizations are subject in large part to the discretion of one or more governmental bodies and can involve political interests and community level concerns or involvement, which may result in delays or the failure to obtain these necessary permits or authorizations. Latent site conditions may also lead to increased costs and loss of revenue. The purchase price of each project will be based upon projections as to the expected operating results of such project, subjecting a Client to risks that the project may not achieve anticipated operating results or may not achieve these results within anticipated time frames. For these and other reasons, development and construction projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others.

Risks of Potential Leverage

TGM will utilize leverage with the goal of enhancing a Client's returns. TGM's failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on a Client. Use of leverage will subject a Client to risks

normally associated with debt financing, including the risk that a Client's cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced, the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness or the risk that a Client will be unable to repay its debt at maturity and the lender could seize a Client's investment.

Risks of Leveraged Investments

Leverage creates an opportunity for increased return on equity, but at the same time creates risk for a Client to incur losses. For example, leveraging magnifies changes in a Client's account's asset values. TGM will leverage assets when there is an expectation that leverage will provide a benefit, such as enhancing returns, although TGM cannot assure that the use of leverage will prove to be beneficial. Increases in credit spreads in the market generally may adversely affect the market value of a Client's investments. Moreover, TGM cannot assure that it will be able to meet debt service obligations in general and, to the extent such obligations are not met, there is a risk of loss of some or all of a Client's investments through foreclosure or a financial loss if a Client is required to liquidate assets, the impact of which could be magnified if such a liquidation is at a commercially inopportune time.

Cybersecurity Risk

As the use of technologies, such as the internet, has become more common in conducting business, TGM may be more susceptible to operational, information security and related risks in connection with breaches in cybersecurity. Generally, a cybersecurity failure may result from either intentional attacks or unintentional events and include, but are not limited to, unauthorized access to digital systems, the misappropriation of assets or sensitive information, the loss of proprietary information, corruption of data and operational disruption, including denial-of-service attacks on websites. A cybersecurity failure could cause a Client and/or TGM to become subject to regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial losses. Cybersecurity failures may involve third-party service providers, joint venture partners, and investments made by, or counterparties involved in transactions with, TGM or the Clients. TGM has established policies and procedures reasonably designed to reduce the risks associated with cybersecurity failures; however, there can be no assurance that these policies and procedures will prevent or mitigate the impact of cybersecurity failures.

Force Majeure and Climate Change Risks:

Investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio investment or other service provider) to perform its obligations until it is able to remedy the force majeure event. Force majeure events that are incapable of or are too

costly to cure may have a permanent adverse effect on portfolio investments. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and business activity generally, including any of the jurisdictions in which TGM may invest specifically. Prolonged changes in climatic conditions may have significant impact on the revenues, expenses and conditions of certain TGM investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events. These natural occurrences could cause certain portfolio investments and other service providers to incur expenses to prevent damages. Any of the foregoing may therefore adversely affect the performance of TGM investments, and therefore the performance of the Clients, and could render insurance coverage unavailable or cost prohibitive.

K-Deals

Investments in K-Deals will be affected by the performance of the underlying mortgage loans which may be adversely affected by numerous factors, including all of the risks attributed to investing in Real Estate investments. Additional risks include but are not limited to the following matters:

Risks of Commercial Mortgage-backed Securities

Commercial mortgage-backed securities are subject to particular risks, including lack of standardized terms, shorter maturities than residential mortgage loans and payment of all or substantially all of the principal only at maturity rather than regular amortization of principal. Because commercial mortgage loans are often structured so that all or a substantial portion of the loan principal is not amortized over the life of the loan but is instead payable at maturity, repayment of commercial mortgage loans depends significantly upon the availability of real estate financing at the time of maturity from the existing or an alternative lender and/or upon the current value and ability to sell the related real estate. Therefore, the lack of real estate financing may lead to default under a commercial mortgage loan and may adversely affect the value of the related investment.

Risks of Modifications of the Underlying Mortgage Loans

If any underlying mortgage loans become delinquent or are in default, the special servicer will be required to work with the related borrowers to maximize collections on such underlying mortgage loans. This may include modifying the terms of such underlying mortgage loans that are in default or whose default is reasonably foreseeable. Modifications of underlying mortgage loans implemented by the special servicer in order to maximize the ultimate proceeds of such underlying mortgage loans may have the effect of, among other things, reducing or otherwise changing the mortgage rate, forgiving or forbearing on payments of principal, interest or other amounts owed under the underlying mortgage loan, extending the final maturity date of the underlying mortgage loan, capitalizing or deferring delinquent interest and other amounts owed under the underlying mortgage loan, forbearing payment of a portion of the principal balance of the underlying mortgage loan or any combination of these or other modifications. Any modified underlying mortgage loan may remain in the issuing entity, and the modification may result in a reduction in the funds received with respect to such underlying mortgage loan.

No Guarantee

The primary assets of the issuing entity will be a segregated pool of multifamily mortgage loans. Accordingly, repayment of the offered certificates will be limited to payments and other collections on the underlying mortgage loans, subject to the Freddie Mac Guarantee. However, the underlying mortgage loans will not be an obligation of, or be insured or guaranteed by any governmental entity; any private mortgage insurer; the depositor; Freddie Mac; the master servicer; the special servicer; any sub-servicer of the master servicer or the special servicer; the trustee; the certificate administrator; the custodian; or any of their or our respective affiliates.

Risks of Borrower Bankruptcies

The filing of a petition in bankruptcy by or against a borrower, delay or otherwise have adverse consequences on the sale of a real property owned by that borrower, as well as the commencement or continuation of a foreclosure action. In addition, if a bankruptcy court determines that the value of a mortgaged real property is less than the principal balance of the underlying mortgage loan it secures, the bankruptcy court may reduce the amount of secured indebtedness to the then-current value of the property. This would make the lender a general unsecured creditor for the difference between the then-value of the property and the amount of its outstanding mortgage indebtedness. A bankruptcy court also may grant a debtor a reasonable time to cure a payment default on an underlying mortgage loan; reduce monthly payments due under an underlying mortgage loan; change the rate of interest due on an underlying mortgage loan; or otherwise alter an underlying mortgage loan's repayment schedule.

The Performance of an Underlying Mortgage Loan and the Related Mortgaged Real Property

The operation and performance of an underlying mortgage loan will depend in part on the identity of the persons or entities that control the related borrower and the related mortgaged real property. The performance of the underlying mortgage loan may be adversely affected if control of the borrower changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in such borrower.

Mezzanine Financing Risks

With respect to certain underlying mortgage loans, mezzanine financing secured by an equity interest in the related borrower may be outstanding. When a borrower has one or more additional outstanding loans, the issuing entity is subjected to additional risk such as: the borrower may have difficulty repaying multiple loans; or obtain refinancing of the related underlying mortgage loan or sell the mortgaged real property and may thereby jeopardize repayment of the underlying mortgage loan;

Risks of Changes in Mortgage Pool Composition

The underlying mortgage loans will amortize at different rates and mature on different dates. In addition, some of those mortgage loans may be prepaid or liquidated. As a result, the relative composition of the mortgage pool will change over time. Certificates purchased with a pass-through rate that is equal to or calculated based on a weighted average of interest rates on the underlying mortgage loans, the pass-through rate will be affected, and may decline, as the relative composition of the mortgage pool changes. In addition, the composition of the mortgage pool may change if the mortgage loan seller repurchases or substitutes for an underlying mortgage loan due to a defect in any mortgage file or a breach of any of its representations and warranties that materially and adversely affects the value of any underlying mortgage loan (including any foreclosure property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of certificates. Further, as payments and other collections of principals are received with respect to the underlying mortgage loans, the remaining mortgage pool backing the certificates may exhibit an increased concentration with respect to number and affiliation of borrowers and geographic location.

The Master Servicer, the Special Servicer and any Sub-Servicers May Experience Conflicts of Interest

In the ordinary course of their businesses the master servicer, the special servicer and any sub-servicers will service loans other than those included in the issuing entity. In addition, they may own other mortgage loans. These other loans may be similar to the underlying mortgage loans. In addition, the master servicer, the special servicer and any sub-servicer, or one or more of their respective affiliates, may have originated some of the underlying mortgage loans. As a result, the master servicer, the special servicer or any sub-servicer may have interests with respect to such underlying mortgage loans, such as relationships with the borrowers or the sponsors of the borrowers, that differ from, and may conflict with, your interests.

The Terms of the Underlying Mortgage Loans

Each of the underlying mortgage loans will specify the terms on which the related borrower must repay the outstanding principal amount of the underlying mortgage loan. The rate, timing and amount of scheduled payments of principal may vary, and may vary significantly, from underlying mortgage loan to underlying mortgage loan. The rate at which the underlying mortgage loans amortize will directly affect the rate at which the principal balance or notional amount of the offered certificates is paid down or otherwise reduced. In addition, the underlying mortgage loans may permit the related borrower during some of the loan term to prepay the loan.

Prepayments Risk

Prepayments on the underlying mortgage loans will affect the average lives of the offered certificates; and the rate and timing of those prepayments may be highly unpredictable. As a result, repayment of the offered certificates could occur significantly earlier or later, and the average lives of the offered certificates could be significantly shorter or longer, than you expected.

Clients are urged to refer to the applicable offering memo for any prospective K-deal for more information. Although the various risks discussed previously are generally described separately, the potential effects of the interplay of multiple risk factors should be considered.

Item 9 Disciplinary Information

TGM and its management persons have not been involved in legal or disciplinary events that are material to a Client's evaluation of TGM's advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

Neither TGM nor any of its management persons has registered as or has a pending application to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

TGM Apartment Partners GP LLC, a Delaware limited liability company and an affiliate of TGM ("TGM AP GP"), serves as the general partner of a pooled investment vehicle managed by TGM. TGM AP GP does not conduct any activities other than serving as the general partner of a pooled investment vehicle managed by TGM.

TGM AM, a Delaware limited liability company and an affiliate of TGM Associates, provides investment management services to a pooled investment vehicle managed by TGM.

Other than TGM AP GP, and TGM AM, TGM Associates does not have any financial industry affiliations, nor does it recommend other investment advisors to Clients or receive compensation from other investment advisors.

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

TGM has adopted a written Code of Ethics (the "Code") to alert the officers, directors and supervised persons (for the purpose of this section, "employees") of TGM to their ethical and legal responsibilities with respect to securities transactions involving (a) possible conflicts of interest with Clients or (b) the possession of material, non-public information.

Under the Code, employees must act in the best interests of Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the TGM or other appropriate party of any actual or suspected violations of such laws by TGM or its employees.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading of TGM's employees. The Code prohibits employees from engaging in personal trading in the securities of issuers on the TGM's restricted list; generally prohibits

purchasing securities in an initial public offering; requires pre-clearance before purchasing securities in a limited offering (*i.e.*, a private placement); requires “access persons”, as defined under the Act, to provide brokerage accounts statements or to report all securities transactions on at least a quarterly basis; and requires access persons to provide a summary of securities holdings on at least an annual basis. TGM has adopted policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information and policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment, including limitations and reporting requirements; and pre-clearance and reporting of political contributions.

A copy of the Code is available to its Clients and prospective Clients, who may request a copy by email sent to sbeacco@tgmassociates.com, or by calling us at (212) 830-9310.

TGM AM is a relying advisor of TGM Associates under the Umbrella Registration Rule 203A-2(b) of the Act and has adopted the same policies and procedures as TGM Associates, including the Code.

TGM provides, directly or through affiliates, services related to investments by private fund Clients that invest in multifamily residential real estate. TGM co-invests with the Clients to the extent required in the applicable agreement. TGM and its principals, officers and directors will devote as much time as they deem necessary and appropriate to manage the investments by its private fund Clients or as described in the Client agreement.

Item 12 Brokerage Practices

Due to TGM’s strategy, it does not use, select or recommend broker-dealers for any security transactions. However, TGM has discretion to select which broker to use in acquiring or disposing of real estate investments for Clients, and to select brokers from the limited number of brokers that facilitate K-Deals transactions. We do not receive any incentive to select or recommend a broker. Clients pay for brokerage fees or expenses incurred in acquiring investments.

Item 13 Review of Accounts

The investments made by the Clients are generally private, illiquid and long-term in nature. While K-Deals are illiquid, the timing is generally significantly less than it takes to acquire and sell direct equity investments. Accordingly, the review process is not directed toward a short-term decision to dispose of investments. TGM monitors the portfolio investments of its Clients and maintains an ongoing oversight position in such investments. A team of investment, finance and operation professionals reviews each Client’s portfolios on a regular ongoing basis (weekly, monthly and quarterly). These reviews include, without limitation, due diligence, review and approval by TGM’s Investment Committee, and execution. Additionally, TGM’s Chief Compliance Officer (or a designee thereof) periodically checks to confirm that each Client is maintained in accordance with its stated objectives.

TGM provides to each of its Clients (i) annual GAAP audited and quarterly unaudited financial statements, including certain schedules and other reports specified in the

applicable governing documents and (ii) annual tax information necessary for each limited partner's tax return. In the course of conducting due diligence or otherwise, investors periodically request information pertaining to their investments. TGM responds to these requests, and in answering these requests provides information that is not generally made available to other investors who have not requested such information. Additionally, upon request investors may receive additional information and reporting that other investors may not receive.

In addition to the foregoing disclosures, TGM's policy is to disclose to Clients any other material facts or conflicts of interest relating to portfolio management services when the Operating Committee determines there has been a material change in the property investment of a Client or other material event, whether or not the disclosure is required to be included in our Form ADV.

TGM also meets at least annually with each of its Clients to review their portfolio returns and to assess each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment, or by changes in the Client's stated investment objectives. These reviews are conducted by TGM's Operating Committee members.

Item 14 Client Referrals and Other Compensation

No one other than the Clients provides an economic benefit to TGM for providing investment advice or other advisory services to the Clients.

TGM will, from time to time, engage referral agents to identify potential clients interested in entering into investment management agreements with TGM. TGM may pay such agents a fixed fee or a portion of the fees paid to TGM. Where applicable, such compensation is paid in a manner intended to comply with SEC Rule 206(4)-3, which regulates the payment of solicitation fees by registered investment advisers. We currently compensate one solicitor who is not a supervised person, who engages in solicitation activities on behalf of TGM. Under the terms of the solicitation agreement, TGM pays the solicitor (i) a monthly retainer and (ii) will pay a percentage of the capital contributed by the investor, subject to certain adjustments set forth in the solicitation agreement.

Item 15 Custody

TGM has custody of assets with respect to accounts of a limited partnership or limited liability company or other pooled investment vehicles. All such entities are audited annually by a PCAOB registered independent public accountant and copies of the audited financial statements are distributed to each Client by TGM on or prior to 120 days after the fiscal year end. The Client should carefully review the statements.

Item 16 Investment Discretion

TGM offers to manage Client accounts on either a discretionary or non-discretionary basis. Currently, TGM manages all Client Assets on a non-discretionary basis.

Clients may engage TGM to provide discretionary investment advisory services, in which case TGM will acquire and manage assets on the Client's behalf, within the guidelines and limitations set forth in their advisory agreement.

Clients may amend such guidelines and limitations by amending their respective advisory agreements with TGM.

Item 17 Voting Client Securities

TGM does not invest in public securities and thus it does not vote proxies on behalf of its Clients.

Item 18 Financial Information

A balance sheet is not required to be provided because TGM does not require or solicit prepayment of more than \$1,200 in fees per Client more than six months in advance of services rendered.

As an advisory firm that is deemed to have custody of Client assets, the TGM is also required to disclose any financial condition that is reasonable likely to impair TGM's ability to meet its contractual obligations. TGM has no such financial conditions to report.