



Form ADV Part 2A Firm Brochure

Item 1 – Cover Page

SEC File Number

UBS Realty Investors LLC
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<http://www.ubs.com/us/en/real-estate.html>

March 31, 2023

This “Firm Brochure” provides information about the qualifications and business practices of UBS Realty Investors LLC. If you have any questions about the contents of this Firm Brochure, please contact the firm’s Chief Compliance Officer, Nicholas S. Pile at (860) 616-9046 or nicholas.pile@ubs.com. The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about UBS Realty Investors LLC also is 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 107758.

UBS Realty Investors LLC is registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended. Registration with the SEC or any state securities authority does not imply any level of skill or training.

Item 2: Material Changes

Since its most recent annual update on March 31, 2022, UBS Realty Investors LLC has made no material changes to its Firm Brochure.

We may update this Firm Brochure at any time and will either send you a copy or offer to send you a copy (either electronically or in hard copy) as may be necessary or required, but at least on an annual basis.

Clients and prospective clients should review this entire Firm Brochure carefully.

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Item 4. Advisory Business

Overview

This section of the Firm Brochure contains a general description of UBS Realty Investors, LLC (also referred to as "we," "our," the "Firm," or "UBS Realty"), as well as information regarding our ownership structure, the types of advisory services we provide and the investment instruments we use, how we tailor advisory services to client needs, and our participation in managed account programs (wrap fee programs).

General description and ownership

UBS Realty Investors LLC is organized as a Massachusetts limited liability company and is a wholly owned subsidiary of UBS Americas Inc., which is a wholly owned subsidiary of UBS Americas Holdings LLC, which in turn is owned by UBS AG and ultimately by UBS Group AG, a publicly traded Swiss corporation (SIX and NYSE: UBS) ("UBS"). UBS Realty is registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Our primary office is in Hartford, CT, with regional offices in San Francisco, CA, Dallas, TX, Chicago, IL and New York, NY. The majority of staff members are located in Hartford, as well as discretionary portfolio management responsibilities. The field offices mainly enable asset management and acquisitions members to serve the markets they cover efficiently.

The operational structure of UBS is comprised of the Corporate Center and four business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank. The UBS Asset Management business division was formed through the merger of Union Bank of Switzerland and Swiss Bank Corporation in 1998. In 2000, the merger culminated in the integration of the investment teams of the respective asset management businesses: UBS Asset Management, Brinson Partners (Chicago firm established in the 1980s) and Phillips & Drew (London firm established in 1895). In 2002, with the integration complete, the firm rebranded as UBS Global Asset Management, known today as UBS Asset Management.

The UBS Asset Management business division is itself divided into multiple separate businesses that provide asset management services globally.

1. UBS Asset Management (Americas) Inc. ("UBS AM") offers discretionary and non-discretionary investment advisory, investment management and sub-advisory services to various clients through their Equities, Fixed Income, and Investment Solutions platforms and wrap fee programs.
2. UBS O'Connor LLC ("O'Connor"), a wholly owned subsidiary of UBS AM, provides discretionary and non-discretionary investment advisory services to various types of pooled investment vehicles, pension or profit-sharing plans, and institutional separately managed accounts.
3. UBS Hedge Fund Solutions ("HFS"), another wholly-owned subsidiary of UBS AM, offers investment advisory services regarding investments in pooled investment vehicles, some of which are registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as well as institutional and ultra-high net worth investors.
4. Real Estate & Private Markets ("REPM") includes: UBS Realty, which is the primary U.S. real estate business within REPM and is covered in this Firm Brochure; UBS Farmland Investors LLC ("UBS Farmland"), a subsidiary of UBS Realty which offers advice to clients in connection with

the acquisition or sale and management of agricultural real estate is covered within the Brochure for UBS Farmland. The direct infrastructure ("DI") and multi-manager Real Estate; Private Equity; Infrastructure ("MM-RE/PE/Infra") business are covered within the Brochure for UBS AM.

5. UBS Asset Management Trust Company (the "Trust Company") acts as trustee and investment manager to certain collective investment trusts.
6. UBS Fund Management Services ("FMS") provides administrative services primarily to traditional investment funds domiciled outside of the United States.

The UBS AM, O'Connor, HFS, Farmland, Trust Company and FMS businesses are not covered by this Firm Brochure.

UBS involvement with the real estate asset management business began in 1999, when UBS Asset Management acquired Allegis Realty Investors LLC, ("Allegis") which was later renamed UBS Realty Investors LLC. Allegis had been formed in 1996 when Aetna Realty Investors Inc., which started this business in 1978, divested its third-party real estate investment management business as part of its strategy to exit the financial services business and focus on health insurance.

Since 1978, UBS Realty and its predecessor companies have provided a wide array of real estate investment management services on behalf of our clients, which include corporations, state and municipal governments, foundations, offshore and private investors.

Types of advisory services

UBS Realty offers investment advisory services to clients including commingled funds (structured by us) that wish to invest in U.S. real property investments and participating mortgages. We are generally the investment manager of such commingled funds and serve as the general partner, managing member or in a similar capacity to the fund. Investors choosing to invest their assets in a commingled fund are purchasing shares of, or units in, a commingled fund. Some of these funds have independent Boards.

UBS Realty specializes in the acquisition, management, development, improvement, leasing, and disposition of direct real estate properties, primarily apartments, office buildings, retail, industrial complexes, and hotels. UBS Realty also structures and invests in debt such as participating mortgages.

UBS Realty utilizes a variety of strategies ranging from acquiring existing unleveraged investments to developing projects with significant leverage and invests primarily through core equity, participating debt, and value-added strategies. These strategies have been implemented through open-end and closed-end funds as well as individual client accounts.

Types of instruments

UBS Realty manages commingled real estate funds and individually managed real estate accounts. The Firm periodically seeks to offer new closed and open-end funds and separately managed accounts investing in real estate.

Tailoring advisory services to client needs

Each of UBS Realty's funds are considered to be a client of the Firm. Accordingly, investors in the funds are not deemed to be advisory clients of the Firm and do not impose restrictions on how we invest the commingled funds above and beyond the restrictions set forth in each funds' respective governing documents. Clients who invest through individually managed real estate accounts may be viewed as advisory clients if such clients are obtaining securities-related advice with respect to any ancillary cash generated by the real estate. These clients can impose investment guidelines or restrictions tailored to their needs under their advisory agreements.

Separately managed real estate account clients determine investment guidelines and restrictions, such as limitations on how much can be invested in a property type or how much can be invested in any one geographic region. Any such guidelines are communicated to us in writing. We then tailor an overall strategy and a real estate investment plan designed to conform to the objectives, guidelines and restrictions. If a real estate investment decision involves any action not permitted under the applicable guidelines, the approval of the client is required prior to taking such action.

Providing portfolio management services to wrap fee programs

We do not target our advisory services to non-institutional clients, and we do not participate in any wrap fee programs.

Assets under management

Client regulatory assets under management for UBS Realty as of December 31, 2022 are as follows:

	U.S. Dollar Amount
Discretionary:	\$ 3,062,821,052
Non-Discretionary	\$0
Total:	\$3,062,821,052

When counting and classifying regulatory assets under management only include those accounts and assets where we provide securities related advice or meet the definition of private funds.

As of December 31, 2022, we had \$21.2 billion of real estate investments through commingled real estate funds, \$ 4.2. billion in individually managed discretionary real estate accounts, and \$ 288 thousand in non-discretionary real estate asset management accounts. Included in these assets are ancillary cash and cash equivalents generated from the property operations.

Item 5. Fees and Compensation

Overview

This section of the Firm Brochure contains information regarding how we are compensated for our advisory services. We manage assets for clients in separately managed accounts, commingled funds and/or a combination of both.

Management fees

UBS Realty does not maintain a set fee schedule for separately managed accounts. Fee schedules are negotiable and vary substantially from one real estate account to another based upon, among other things: the complexity and value of services chosen; client objectives; the investment amount; the anticipated number and type of investments involved; the scope and intensity of client servicing; and reporting.

Clients invested in the same commingled fund pay fees based on the fee schedule disclosed in the respective fund's offering materials. The fee can be fixed at a flat amount or can be any one or combination of the following: a percentage of purchase price or sales proceeds; a percentage of assets under management; a percentage of account income; and a performance-based fee charged in accordance with Rule 205-3 of the Advisers Act and with applicable state laws and regulations.

Example of fees

Real Estate (\$50 million)	Other fees
Asset management fee based on gross invested capital	Annual fee of 0.60% - 1.1%
Asset management fee based on income	7.0% - 8.0%
Acquisition fee based on gross purchase price	0.75% - 1.25%
Dispositions Fixed fee based on gross sales price, e.g., 1.00% Or Variable fee based on gross sales price	0.20% - 1.00% Plus 10% - 20% for amounts above a threshold return to investors
Financing fee based on debt raised	1.00%

Out-of-pocket expenses

Customary reimbursement of all third-party charges and reasonable out-of-pocket expenses.

Other fees or expenses

Clients will pay all costs, expenses and fees incurred in operating the fund or account, including costs, expenses and fees incurred for legal, accounting, audit, third-party valuation services, insurance and indemnification, preparation of financial statements and reports to Limited Partners, tax and other consulting services (including engineering and environmental consulting), and other costs, expenses, and fees incurred in the evaluation, acquisition, financing, leasing, development, management, operation, valuation, monitoring and disposition of investments (including such expenses incurred in connection with transactions that are not consummated for any reason).

In addition, the commingled funds will reimburse reasonable expenses incurred by members of the fund's advisory council (and where applicable Independent Directors of the Board), which is an advisory committee composed of representatives of certain fund investors which can be consulted with respect to certain fund matters. We can share a portion of our management fees with our affiliates and one of our commingled funds operates a founding investor program where certain investors that met certain minimum investing standards and that constituted the initial investors in the fund participate in a portion of the variable fees paid to UBS Realty for a limited period. To the extent a Fund enters into joint ventures, the development and operating partners will generally be entitled to receive from the joint ventures management and other fees, as well as a promoted interest, which will be an expense of the Fund.

Asset based management fees, performance-based fees and applicable expenses/costs are disclosed in more detail in each fund's confidential offering documents or in the agreement with a client governing an individual account.

Acquisition and disposition fees

No supervised person is compensated for the sale of securities or investment products. The Firm, however, can receive compensation related to the acquisition or disposition of an asset, if that fee is part of the negotiated fee schedule or is included in the fund or account documents.

The existence of acquisition and disposition fees, if any, can create an incentive to acquire or dispose of assets based on compensation received versus a client's needs. The other components of our fee schedules and the existence of a cross-functional investment committee involved in the approval of each transaction substantially reduce that risk. Furthermore, no employee of the Firm is directly compensated on a transactional basis.

Collective Fund costs

Certain qualified pension, profit sharing and governmental plan clients' assets can be invested in a commingled collective trust fund (the "Collective Fund") maintained by our affiliate, the Trust Company. UBS Realty serves as the sub-advisor to the Trust Company with respect to the real estate fund portion of the Collective Fund. The Trust Company, as Trustee of the Collective Fund, charges a fee for providing such services and pays a portion of such fee to UBS Realty for serving as sub-advisor. Duplicate fees are not charged to a client for the same services provided by UBS Realty and the Trust Company. Further

information about the management fees and expenses related to the Collective Fund is available in the applicable Offering Memorandum.

Brokerage or transaction costs

Third-party real estate brokers charge commissions on real estate transactions that are added to the acquisition cost or deducted from the sale proceeds, and prospective investors are directed to *Item 12* of this Firm Brochure, which describes factors used when selecting brokers including the reasonableness of their compensation.

Fee negotiation

Fee schedules for the commingled funds we manage are documented in the funds respective private placement memorandum ("PPM") and clients in these funds pay fees according to these documented fee schedules. These fees are not negotiable, since the fee schedules vary between investors. Deposits and redemptions are only accepted or processed quarterly (subject to investment capacity or available cash).

In addition, if there are organizational and initial offering expenses relating to certain investors, for example, when setting up a new share class, parallel or feeder fund, these investors, rather than the funds, generally will be subject to these expenses. Where an investor is invested in multiple commingled funds with us, we generally aggregate such investor assets when calculating fees for that investor across multiple funds. In addition to the asset management fee, the PPM for certain of our commingled funds includes provisions for other fees such as a performance-based fee, described below in *Item 6*.

Payment of fees

Fees are charged and payable quarterly in arrears. Management fees are generally calculated quarterly and deducted from the account-level cash or, for commingled funds, from the accounts' allocable share of the quarterly distribution. In limited circumstances, clients in open-end real estate commingled funds and individually managed real estate accounts may elect to be direct billed following each quarter end. Clients in closed-end real estate funds do not have a direct bill option.

No fees are charged in advance; therefore, refunds typically will not apply. If the advisory relationship is terminated, UBS Realty is generally entitled to the *pro rata* portion of the earned fees.

Certain accounts have variable fees or transaction-based acquisition and disposition fees. These fees may be deducted or billed less frequently per the terms of the advisory agreement for the fund or account.

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

Overview

In this section of the Firm Brochure, we explain that we have performance-based fee arrangements with clients. We also describe how we manage the conflicts of interests that may arise in managing performance-based accounts alongside other accounts.

Acceptance of performance-based fees

In certain instances, UBS Realty may be compensated under performance-based fee arrangements in compliance with Rule 205-3 promulgated by the SEC under the Advisers Act, and, in the case of employee benefit plan clients, applicable regulations and opinions under the Employee Retirement Income Security Act ("ERISA"). Such performance-based fee arrangements generally involve an asset-based management fee and a performance fee at differing levels of performance relative to an agreed upon benchmark. Performance fees may include a minimum and maximum fee payable, a high-water mark and may go up or down depending on performance, e.g., a fulcrum fee. Performance-based fee arrangements are subject to negotiation with the client.

Side-by-side management of performance-based and other accounts

UBS Realty provides advisory services to multiple clients and funds that have varying and sometimes similar investment objectives. Some of the accounts or funds have performance-based fee structures. These fee structures can create an incentive for us to make more speculative decisions on behalf of those accounts or funds than we would otherwise make if these fees did not exist. This is in part because they allow us to receive increased compensation as a result of unrealized and realized gains in an account. We have controls in place to address such conflicts, and variable fees are only charged in compliance with Rule 205-3 of the Advisers Act.

UBS Realty addresses the potential conflicts in several ways. The most critical process we follow is a disciplined investment allocation process.

UBS Realty has a formalized investment allocation process designed to fairly determine the allocation of potential investments among different clients. The allocation process currently resides with the Management Forum of UBS Realty which includes the president, portfolio managers, the head of transactions, research and asset management, the general counsel, and the head of operations.

The Investment Committee also provides a key check and balance function. It is the primary investment decision-making body for UBS Realty. The Investment Committee must approve each significant transaction (including acquisitions, loan originations, dispositions, financings, and certain major capital events). The Permanent Investment Committee currently includes the Head of REPM RE-US, the heads of transactions, asset management, research, legal, and head of operations. Other members of the Investment Committee include the Senior Portfolio Manager(s) of the fund or separate account for which the matter is being considered. The Investment Committee members' significant experience and diverse backgrounds offer the advantage of bringing significant real estate expertise, as well as general capital markets analysis, to acquisitions, loan originations, sales, and financing recommendations. With its cross functional nature, this Committee provides for a balanced discussion surrounding investment decisions, which helps ensure that one portfolio manager does not enter into a riskier investment for inappropriate reasons.

Item 7. Types of Clients

Overview

In this section of the Firm Brochure, we provide information about the types of clients to whom we provide investment advice. We also discuss the conditions we may impose on the management of client accounts.

General

UBS Realty serves as an investment advisor to commingled real estate funds and real estate separate accounts. The majority of clients and fund investors are institutional clients. They include state and local government pension plans, corporate and labor union pension plans, and other plans including those of corporations, tax exempt organizations, and charitable organizations.

Investors in our commingled funds must be "Accredited Investors" or "Qualified Purchasers," each as defined in the Securities Act of 1933 (the "Securities Act"), or may be non-U.S. persons, depending on the fund. Clients and investors subject to a fee schedule that includes a performance-based fee must be a "Qualified Client," as defined in the Advisers Act.

ERISA Clients

UBS Realty may provide both discretionary investment management services and non-discretionary investment advisory services to clients that are employee benefit plans covered by ERISA. For ERISA plan clients, UBS Realty is typically a "covered service provider" to the plan for purposes of ERISA Section 408(b)(2). We provide services to ERISA plans both as a registered investment adviser under the Advisers Act and as a fiduciary under Section 3(21) of ERISA. In addition to institutional separate accounts for ERISA clients, we may serve as an ERISA fiduciary to plans whose assets we manage through certain investment vehicles (e.g., private funds, collective investment trusts, etc.) whose assets are treated as plan assets under ERISA.

We typically utilize VCOC / REOCs structures and accordingly we are not managing "plan assets". Therefore, for our commingled funds, the ERISA QPAM Exemption is not relevant

When providing such investment management services to ERISA plan clients, UBS Realty may rely on Prohibited Transaction Exemption 84-14 (the "QPAM exemption"). To the extent we rely on the QPAM exemption, we must also comply with individual Prohibited Transaction Exemptions (PTE 2017-07 or PTE 2020-01, as applicable). ERISA plan clients have a right to obtain a copy of the written policies and procedures developed in connection with the individual PTE's issued by the Department of Labor, requiring UBS Realty to maintain, implement and follow written policies and procedures.

Conditions for managing accounts

Minimum capital commitment size varies from fund to fund. Initial investment in our commingled funds must generally be at least \$1,000,000 and \$5,000,000 for our core real estate commingled fund. The minimum commitment acceptable to establish an individually managed account generally is \$100,000,000. Minimums can vary for different types of investors and the Firm may waive the minimum investment amount at our sole discretion.

Tax matters

UBS Realty will not advise or act for a client or investors on tax matters. We encourage clients and investors (including non-U.S. investors) to consult their own legal and tax advisers for potential U.S. and/or local country legal or tax implications on any investment.

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

Overview

This section of the Firm Brochure describes the methods of analysis we use to formulate investment advice and manage assets. We also discuss the material risks that clients should generally consider when investing in any of our strategies.

General

We believe that a well-conceived real estate investment program recognizes long-term economic and real estate trends, capitalizes on short-term pricing opportunities, efficiently uses diversification to minimize risk, manages each investment as an operating business, and sells assets on a timely basis to enhance performance. Our investment strategies are based on research that combine broad market and economic trends with property pricing and forecasts of future economic performance.

Investment strategies

The basic investment or core strategy of our accounts and funds is to acquire a variety of U.S. commercial and multifamily real estate properties that seek to provide attractive risk-adjusted returns consisting of current income and capital appreciation in predominantly stabilized, income-producing property. We focus on selective acquisitions, diversification, active portfolio management and aggressive asset management. Diversification can be pursued in many ways, including by geographic region, property type, and economic sector. We also manage risk across investment structure and life cycle.

Another significant strategy involves investing in participating mortgage loans made to operating companies. These participating mortgage loans have both fixed and participating income characteristics. The goal is to provide attractive real estate-based income-oriented returns while limiting downside risk. We do this by making loan investments that have payment priority over the borrower's equity and by utilizing strict underwriting practices; property, geographic and economic diversification strategies. We may also transact in additional debt structures with different risk characteristics.

Subject to fund or account guidelines, we may also implement value-added strategies. Value-add strategies can include implementing one or more of the following: Lease-up; Repositioning; Renovation; Expansion; Forward commitments; Development; Distressed debt; and/or Property Management upgrade.

We also believe that there is a direct link between responsible investment and long-term returns.

Our corporate policy focuses on increasing the value of our investments for our investors and tenants and ensuring that our assets and funds remain secure, resilient and profitable today and in the future. Our asset managers are integrally involved with the oversight of each property's management and only reputable third-party appraisal firms are engaged to estimate property values.

Our mission consists of the following major principles, which we seek to apply in our own funds and encourage in the funds in which we invest:

- delivering superior risk-adjusted investment performance by integrating sustainability considerations into our investment processes;
- implementing sustainable practices and promoting health and wellbeing through innovation and the sharing of best practices;

- being a responsible investor, developer and operator by addressing environmental impacts while enhancing property operations and values; and
- placing a strong emphasis on social responsibility for the benefit of occupiers and the communities in which our assets are located.

The investment process integrates material sustainability and/or Environmental, Social and Governance ("ESG") considerations, starting with due diligence. ESG integration is driven by taking into account material ESG risks (including physical and transition risks), which could impact investment returns, and implementing ESG strategies that enhance returns and mitigate risk rather than being driven by specific ethical principles or norms. The analysis of material sustainability/ESG considerations can include many different aspects, for example; the carbon footprint and related regulatory requirements, reducing consumption and waste, employee [and/or tenant] health and well-being, property damage and insurance cost impacts resulting from physical risks such as hurricanes and floods, fair customer treatment and governance processes of a company. We may still make investments with a higher ESG risk profile where we believe the potential compensation and ability to mitigate outweighs the risks identified.

Funds that have ESG Integrated do not have sustainable focus as the primary objective, but they are investment funds that primarily aim at maximizing financial performance whereby ESG aspects are an important factor incorporated into the investment process and ongoing asset management.

Research process

All strategic and transaction research is conducted internally by a dedicated Real Estate Research & Strategy – US team ("R&S – US").

The Head of Real Estate Research & Strategy – US, leads the US Strategy Forum and is a permanent voting member of the US Investment Committee. The US Strategy Forum forms the nexus of any strategy we adopt and maintain. Under the oversight of our R&S – US team, our US Strategy Forum is composed of senior internal representatives of our various real estate investment disciplines including transactions, asset management, portfolio management and executive leadership. The US Strategy Forum meets three to four times annually to discuss, assess and reach consensus on strategic concepts and tactics in the context of prevailing or anticipated conditions. Hence, any strategy we endorse or adopt benefits from and reflects the insights of the overall UBS Realty team.

R&S – US is integrated into the investment process, helping to recognize and assess risk expectations, including maintaining analytical dashboards that provide guidance on attaining diversified exposure to real estate markets with an expectation of delivering allocation alpha against the NFI-ODCE and delivering relevant information to all functional areas of UBS Realty.

The staff members of the R&S – US team interact with other areas of UBS Realty Investors in five principal ways: (1) underwriting markets and holding a vote on Investment Committee decisions; (2) leading our internal multi-departmental Strategy Forum; (3) developing and maintaining the Research & Strategy Model Portfolio which uses proprietary econometric modeling techniques (4) Contributing to internal strategy workstreams by sourcing relevant data and producing analytics, and (5) responding to ad-hoc research requests. Further explanation of these points is provided below.

1. The R&S – US team contributes to UBS Realty Investment Committee discussions that stem from the research contribution to the due diligence process. As members of the acquisition/disposition teams, our R&S – US team provides market-level due diligence support for all acquisition and disposition decisions. Comparing information collected independently by the R&S - US team with

the transaction team often reveals issues that require additional investigation or reconciliation. The combined team seeks to reconcile disparate data and, in the process, forms and enhanced understanding of the investment decision. Market-level research typically includes an analysis of the changing conditions of the market in which the identified asset is located. The results of the research analysis are incorporated into a comprehensive due diligence package, which we refer to as acquisition or disposition briefs. The knowledge gained through this research is factored into the decision-making process and measured against portfolio investment strategies and objectives.

2. The R&S – US team directs strategy discussions by disseminating ideas established from collected data, coordinating feedback to formulate the broader group's position on the issue at hand and applying that guidance to portfolio-level decision-making. The formal US Strategy Forum brings senior officers from all functional areas together and allows the specialized knowledge of these officers to be incorporated into consistent strategies that are fully understood and implemented.
3. Proprietary modelling and investment analytics are analyzed with Portfolio and Asset Management. R&S – US studies both the internal and external data seeking patterns, trends and linkages that will assist investment decisions. Additionally, our R&S – US team provides a proprietary Model Portfolio built using a Market Analytics Composite Index which guides the portfolio allocations decisions against their respective benchmarks. These over and underweight calls are applied across sectors and then metros within sectors and are also viewed by transactions to assess aggressiveness on underwriting.

R&S – US produces regular quarterly research publications for the fund reports, global and US real estate teams. In addition to the regularly published documents, the team members produce periodic special reports on the sectors and macro topics and create short videos.

5. Collectively, the R&S – US team responds to hundreds of ad-hoc or planned requests for information or analysis from internal constituents and external clients and their representatives.

Material risks

All investments carry a certain degree of risk, and UBS Realty cannot guarantee that it or any client will achieve its investment objective.

In particular, investments in real estate and in real estate funds can be very illiquid. For instance, events such as the deterioration of credit markets and increased volatility during certain time periods of illiquidity or stress resulted in a historically unprecedented lack of liquidity and decline in asset values. This risk factors described herein are not a complete enumeration or explanation of the risks involved in any particular fund or account, as the particular risks applicable to each fund or account will depend on the nature of the fund or account, its investment strategy or strategies and the types of investments held.

The value of investments and the income from them will go up as well as down and the possibility of loss does exist, and investments in our funds or and accounts are not guaranteed by UBS Realty, UBS or any of their respective affiliates. In view of the risks associated with an investment in real estate, only investors able to bear the economic risk of their investment for an indefinite period and those able to afford a loss of their entire investment should consider investing. Our past performance and activities provide no assurance of future results. In addition, our fees and expenses reduce investment returns.

Prospective clients should read this entire Firm Brochure. A more detailed and specific enumeration and explanation of risks factors is contained in each fund's offering materials. Clients should also consult with their own legal, financial, and tax advisors before deciding whether to invest in a strategy.

General strategy risks

Risks could arise from absence of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located. Any of the foregoing factors could limit the ability of the fund or account to vary its investments rapidly in response to changes in economic and other conditions and there can be no assurance that investments will be sold on satisfactory terms.

Additionally, owning real properties involves various risks which might impact the value of a fund's or account's investments. These include, but are not limited to, real estate regulatory risks (e.g., building codes and zoning laws) that could require substantial capital not otherwise budgeted; declining general economic or business conditions; and uncertainties in estimating a property's appraised value.

Third Parties

In certain cases, real estate investments are owned with and by third party partners such as joint venture investments or other similar arrangements such as co-investments. This involve risks that would not otherwise be in investments where a third party is not involved. For example, the third party may:

- experience financial difficulties;
- at any time have economic or business interests or goals that are inconsistent with the business interests or goals of the fund or account; or
- take action contrary to the instructions, requests, or policies and objectives of the fund or account.

Furthermore, in some cases, the fund or account can have certain contractual obligations to joint venture partners in connection with a sale or disposition that can limit or prohibit the ability to complete an exit strategy in a timely fashion.

In addition, the fund or account can have an interest in a joint venture where the other party has the right to participate in the cash flows of a property and/or the distribution of sales proceeds of a property. Such fee arrangements with a partner may create an incentive for the property to be managed in a manner that is not consistent with the fund's or account's objectives.

In addition, there is a risk of impasse or litigation between the parties because the parties may disagree with a proposed transaction or course of action involving the property. Joint venture arrangements generally require that, in the event that our joint venture partner proposes a sale of a property, the fund or account must have either a right to purchase the partner's interest or other rights to control the sale of the property. There is no assurance, however, that the fund or account would have the unfettered ability or the financial resources to exercise any such rights.

To help avoid these conflicts, we seek to and typically have the controlling interest in a joint venture. Nevertheless, conflicts can arise; our asset managers and our fund accountants remain actively involved with our partners, identifying and working through any such conflicts.

Diversification

Diversification is a common objective among our clients because any limit to diversification increases the risk that unfavorable performance of even a single investment might have an adverse effect on the aggregate return. Nevertheless, diversification cannot eliminate the risk of experiencing investment loss, and there can be no assurance as to the degree of diversification that will actually be achieved. Therefore, to use diversification as effectively as possible, we establish diversification criteria as part of the investment plan and manage the fund or account in accordance with property type and geographic region guidelines.

Use of leverage

Leverage can be used, subject to fund and account guidelines, to enhance overall performance without incurring unacceptable risk. Leverage will increase the exposure of the real estate assets to adverse economic factors, such as changing interest rates, economic downturns, or deteriorations in the condition of the properties or their respective markets. Leverage can therefore create a greater potential for loss. As a result, our funds and accounts that invest in core, income-producing properties as the primary strategy are managed with low to moderate leverage in line with the maximum leverage permitted for NFI-ODCE funds. Only funds or accounts with a higher risk profile will be managed using higher leverage limits.

Construction loans

Some funds or accounts can provide construction loans. Construction financing is traditionally a riskier form of financing than financing secured by completed commercial properties. Were construction not to proceed as planned, claims against the borrower may arise. Such claims could arise because, among other things, the construction may take more time and be more expensive than anticipated, materials necessary to complete the construction may not be available on a timely basis or necessary financing may not be obtainable to complete construction. If such a claim were successful, delays in payments to the fund or account may result. In addition, properties that have not been completed are less likely to be fully leased to tenants.

Value-add and Development

Value-add strategies are subject to a number of additional risks, including the risk of lower revenues, higher expenses, or higher expenditures than projected. Development properties are exposed to the risk that a property is not completed on time or leased according to schedule. Environmental matters, whether known or unknown at the time of acquisition, can also pose a risk that the owner could be liable for removal or remediation costs. There is a risk that the fund or account may contract to acquire properties from sellers that fail to complete construction or that do not satisfactorily lease-up prior to closing with the fund or account. If these situations occur, closing on a property may be delayed until the conditions have been satisfied or the fund or account may choose not to proceed with closing on a property. There can be no assurance that the steps we take to minimize risks of contracting with a nonperforming seller will, in all cases, protect the fund or account against financial loss.

Moreover, to the extent the fund or account is not able to purchase properties because of a seller's failure to cause completion thereof, the fund or account may lose the opportunity to make other investments in properties, and there may be a corresponding delay in the investment of the fund or account's funds. Such risks can be controlled through a variety of means, including the use of forward commitment contracts in which the investor commits to purchase the property once the developer has completed construction according to agreed on plans and specifications. In development joint venture, construction risk mitigation steps can include fixed cost construction contracts, developer guarantees of final costs and timing, and close monitoring of construction progress.

Real estate investment risks

Real estate investments are subject to various risks, many of which are beyond our control, such as adverse changes in financial conditions of buyers and sellers of properties; reduction or change in sources of debt or equity financing, including changes in interest rates; increases in real estate taxes and operating expenses; adverse changes in market and economic conditions; zoning and other governmental laws, regulations, and policies; occupancy levels and the ability to lease space; environmental risks, risks of future terrorist activity; and risk of uninsured losses.

Additional risks include adverse changes in energy prices; changes in law, regulations and governmental policies, including environmental laws, natural and unnatural disasters; acts of terrorism; uninsurable losses; condemnations; and others.

Impositions of sanctions by governmental or supranational authorities on companies may hamper or prevent business activities in such companies and thus significantly lower their value.

Illiquidity risk

Physical real estate investments may be illiquid and there may be no public market for real estate investments. The eventual liquidity of investments will depend, amongst other things, on the success of the realization strategy proposed for each investment. There is a risk that the account or real estate fund may be unable to realize their stated investment objectives by sale or other disposition at attractive prices or at appropriate times or in response to changing market conditions, or may otherwise be unable to complete a favorable exit strategy. Real estate funds may themselves impose limits on the number of realizations and may provide for deferrals or suspension of dealings under certain circumstances.

Likewise, it may be difficult to sell properties, especially during time periods when the markets are experiencing illiquidity or stress. It may take a substantial length of time to liquidate a property or liquidate an investor's position in a fund.

Competition for investments

Regardless of whether we are seeking core, income-producing properties or properties with value-added potential, there can be no assurance that we will be able to continually locate and acquire assets meeting any particular fund's or account's objective.

Competition for assets generally reduces the number of suitable prospective assets available. The real estate market is competitive and the business of identifying attractive investment transactions involves a high degree of uncertainty. Although UBS Realty believes that significant opportunities currently exist, there can be no assurance that they will continue to exist or that we will be able to identify a sufficient number of opportunities to permit a client to invest its desired amount of assets or to diversify its portfolio pursuant to such client's investment objectives.

Debt investment risks

Accounts can invest capital in debt investments, including construction, participating and other real estate-related loans (collectively, "Debt Investments"). The value of the fund or account's Debt Investments and the fund's or account's ability to realize full repayment on a Debt Investment may be adversely affected by all of the factors that affect the fund's or account's investments in real property interests. The fund's or account's Debt Investments may or may not be secured by the underlying real estate.

Risks of Debt Investments include: (i) dependency for repayment on successful operation of the underlying property and tenant businesses operating therein; (ii) the fact that such loans are usually non-recourse to the borrower; and (iii) amortization schedules that are often longer than the stated maturity and provide for balloon payments at stated maturity rather than periodic principal payments.

Debt Investments are also subject to risks of borrower defaults, bankruptcies, fraud and special hazard losses that are not covered by standard hazard insurance. In the event of any default under mortgage loans held by the funds or accounts, the fund or account will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal amount of the mortgage loan and may not receive interest payments on such mortgage loan. Foreclosures of mortgage loans, bankruptcies affecting mortgage loan borrowers and other collateral realization processes are expensive and lengthy processes that could have a substantial negative effect on the fund or account's anticipated return on the affected mortgage loans.

Although the Firm will monitor the performance of the Debt Investments and intends to cause the funds or accounts to invest in real estate companies and properties operated by strong management, the day-to-day operations of the properties underlying the Debt Investments will be the responsibility of the borrowers. There can be no assurance that the management teams of the borrowers will be able to operate the underlying companies or properties in accordance with their business plans or the expectations of the funds or accounts.

Specific subordinated and Mezzanine Loans Risk. Subordinated and Mezzanine real estate loans may be secured by one or more direct or indirect ownership interests in an entity owning, operating, and/or controlling, one or more real estate properties. Commercial properties owned by such entities are likely to be subject to existing mortgage loans and other indebtedness. To the extent UBS Realty makes or acquires such investments on behalf of its clients, UBS Realty does not anticipate having absolute control over the underlying collateral and will be dependent upon third-party borrowers and agents and will have rights that are subordinate to those of senior lenders. Investments of this type will have specific risks including. Repayment of the loans underlying mezzanine loans are dependent on the successful operation of the underlying real estate properties. Unlike mortgage loans, mezzanine loans are not

secured by interests in the underlying real estate properties and are structurally subordinate to senior debt, which are typically secured by the property. Although unlikely, the ownership interests securing a mezzanine loan may represent only a partial interest in the borrower and may not control either the borrower or the underlying property. As a result, the effective realization on the collateral securing a mezzanine loan in the event of default may be limited. Mezzanine investments often reflect a greater possibility that adverse changes in the financial condition of the obligor or general economic conditions may impair the ability of the obligor to make payment of principal and interest. Mezzanine investments are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuer incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Some issuers may be highly leveraged and their relatively high debt-to equity ratios create increased risks that their operations might not generate sufficient cash flows to service their debt obligations. In the event of default, the source of repayment will be limited to the value of the collateral and may be subordinate to other lienholders.

The collateral value of the property may be less than the outstanding amount of the investment. Returns on an investment of this type depend on the borrower's ability to make required payments, and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the loan.

Risks of Investing in Cold Storage Facilities

Demand for Commodities. Exposure to fluctuations in the markets for the commodities that comprise the products that will be stored in such cold storage facilities. Declines in demand for the products that will drive prospective tenants' need for cold storage space could cause those tenants to reduce their inventories and thus reduce demand for space in cold storage facilities.

Technology Requirements. Cold storage warehouse facilities require sophisticated, expensive equipment, and the technologies used in the industry are continually developing. Recent developments in the industry include more powerful blast units, RFID identification, cross-docking, and technology-driven product picking improvements such as voice direction and robot pickers. In order to remain competitive, we may be forced to invest in new technology and/or renovate. Increased capital expenditures by a Fund's subsidiaries could harm the Fund's financial strength and results of operations.

Energy Costs. The power required to chill the contents of a temperature-controlled cold storage facility is significantly higher than for non-refrigerated spaces or traditional warehouses, and can comprise more than 25% of a cold storage facility's ongoing operating costs. If the cost of electric power to operate the cold storage facilities increases dramatically or fluctuates widely and/or Fund subsidiaries are unable to pass such costs through to tenants, the Fund's financial position and results of operations could be adversely affected.

Compliance with Regulations. The Fund will be required to operate its cold storage facilities in compliance with numerous U.S. federal and state regulations, with oversight by Federal agencies including the U.S. Department of Agriculture, the Food and Drug Administration, and the Environmental Protection Agency. State and local health departments monitor performance, and temperature-controlled warehouse companies involved in international trade must meet standards for food safety and for protection of the border against terrorist threats under the U.S. Customs Service food defense protocols. Regulatory burdens due to food safety and industrial refrigerant safety are stringent, and the Fund may be required to make substantial capital expenditures to comply with those requirements, and the Fund's financial position and results of operations could be adversely affected by such substantial capital expenditures required to comply with those requirements.

Uncertainties in calculating real estate values

We arrange for periodic valuations of the real estate investments. Any such valuation, however, is a subjective analysis of the fair market value of an asset and requires the use of techniques that are costly and time-consuming and ultimately provide no more than an estimate of value. Similarly, certain account liabilities may be valued on the basis of estimates. The value of the real estate concerned will generally be a matter of a valuer's opinion, and the amount derived on realization of the real estate may be less than the valuation given to the real estate by the valuer. Accordingly, there can be no assurance that the values of the real estate investments or the account will be accurate on any given date, nor can there be any assurance that the sale of any property would be at a price equivalent to the last estimated value of such property. Additionally, it may be difficult to obtain reliable information about the value of real estate fund interests as distinct from that of the underlying real estate. Accounts with fees based on assets under management would be adversely affected by higher fees if the value of the account were overstated.

A public health emergency (described more below) could impact or restrict the ability of the Advisor to assess the value of investments and could negatively impact cash flows, operations and have a material impact on the fair value of investments.

Carried Interest:

The Firm may receive carried interest or performance fees in connection with managing funds and client accounts. The carried interest allocated to the Firm may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such compensation arrangements. Moreover, the carried interest or performance fee and any other fees payable indirectly is paid by investors in the funds or client accounts of the Firm, as applicable, and reduces the return that ultimately would be payable to investors in such funds or to such accounts without such programs.

ESG/Sustainability Risks:

As described above, the Investment Committee considers, at its discretion, ESG factors when making recommendations or selecting investments, which, as a result, may reduce the investment universe. When considering such factors, risks are required to be identified and presented to the Investment Committee which must determine that risks have been properly analyzed and mitigated. The Investment Committee may not approve certain investments which could adversely affect the performance of accounts. A 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a sustainability risk associated with an investment materializes, it could lead to the loss in value of an investment. Since ESG is a broad concept, our interpretation of, and qualifications for, an ESG investment selection may differ from other interpretations of the same investment.

Other risks

Cybersecurity

UBS, like all companies, may be susceptible to operational and information security risk. Cybersecurity failures or breaches of UBS or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Although UBS takes protective measures, it may be vulnerable to unauthorized access, computer viruses or other events that could impact security.

UBS currently and in the future is expected to routinely communicate via e-mail or other electronic means. E-mail messages may not be secure, may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted and read by others, deleted, or modified without the knowledge of the sender or intended recipient.

Any public health emergency or the threat thereof, could have a significant adverse impact on the Real Estate strategies we manage and its investments (including their underlying properties and their tenants), and could adversely affect our ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the Real Estate strategies and its investments' (including their underlying properties' and their tenants') operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Real Estate strategies investments (including their underlying properties and their tenants), the ability to source, finance, manage and divest investments and ability to achieve its investment objectives or fulfil its contractual undertakings, all of which could result in significant losses. In addition, the operations of the Real Estate Strategy, its investments (including their underlying properties and their tenants), and the Advisor may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Item 9. Disciplinary Information

Overview

In this section of the Firm Brochure, we are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We have no criminal, civil, administrative, or regulatory proceedings to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Overview

This section of the Firm Brochure contains information about our financial industry activities and affiliations. We provide information about the material relationships and arrangements we have with advisory affiliates or any persons under common control with our Firm, including broker-dealers, affiliated investments advisers, financial planners, banking institutions and other similar entities. We identify if any of these relationships or arrangements creates a material conflict of interests with clients and discuss how we address these conflicts.

Broker-dealer registration

UBS Realty is not registered, nor do we have an application pending to register, as a broker-dealer. We own a broker-dealer, UBS Fund Services (USA) LLC (the “broker-dealer” or “Fund Services”), which is registered with the Financial Industry Regulatory Authority (“FINRA”), and is used for the limited-purpose of distribution of our private placement commingled funds. Fund Services does not distribute any securities other than the private placements managed by UBS Realty or that are managed by our subsidiary, UBS Farmland, or another affiliate. Furthermore, Fund Services carries no customer accounts nor does it hold any securities. Its employees are shared employees of UBS Realty, and it is supported by UBS Realty through a service agreement. We therefore do not believe there are any conflicts of interest with clients.

Use of related persons—material relationships and arrangements

As noted in *Item 4*, UBS Realty is a wholly owned indirect subsidiary of UBS, a Swiss banking corporation headquartered in Zurich and Basel, Switzerland. As a large, globally diversified financial services firm, UBS’ direct and indirect affiliates and related persons include various broker-dealers, investment advisors, future commission merchants, commodity pool operators, commodity trading advisers, pension consultants, banking organizations and other financial services firms. We have and anticipate we will maintain arrangements with UBS and its affiliates that are material to our advisory business.

- ***Affiliated Broker-Dealers, Municipal Securities Dealers and Government Securities Broker-Dealers:***
The following affiliates of UBS Realty are broker-dealers registered in the United States:

- UBS Securities LLC
- UBS Financial Services Inc. (“UBSFS”)
- UBS Asset Management (US) Inc.
- UBS Fund Services (USA) LLC (as described above).

Certain of those affiliates are also registered as municipal securities dealers and/or government securities broker-dealers. In addition, UBS Realty has numerous broker-dealer affiliates operating outside the United States. A complete list of affiliated broker-dealers is available to clients upon request.

- ***Pooled Investment Vehicles:*** As stated in *Item 4*, UBS Realty is the investment manager of certain commingled funds and serves as the general partner, managing member or in a similar capacity for such funds.
- ***Other Investment Advisers:*** As stated in *Item 4*, UBS Realty is one of the investment advisory entities

within the UBS Asset Management division. UBS AM, O'Connor, HFS, and UBS Farmland are also SEC-registered investment advisers in the division. UBS AM may manage assets for O'Connor, HFS, or REPM and may engage them to manage assets on behalf of UBS AM's clients. UBS AM presents multi-asset class marketing materials to certain prospective clients that may include materials for UBS Realty, O'Connor, HFS, and Farmland, along with its Equities, Fixed Income and Investment Solutions information, in the same presentation.

In addition, UBS Asset Management division includes various "Participating Affiliates" operating outside the United States that provide investment management services.

- UBS AG
- UBS Asset Management (Australia) Ltd.
- UBS Asset Management (Canada) Inc.
- UBS Asset Management (Deutschland) GmbH
- UBS Asset Management (Hong Kong) Limited
- UBS Asset Management (Italia) SGR S.p.A
- UBS Asset Management (Japan) Limited
- UBS Asset Management (Shanghai) Limited
- UBS Asset Management (Singapore) Ltd.
- UBS Asset Management (Taiwan) Ltd.
- UBS Asset Management (UK) Ltd.
- UBS O'Connor Limited

The following advisory affiliates provide fund administration services outside the United States:

- UBS Fund Management (Ireland) Ltd.
- UBS Fund Management (Luxembourg) S.A.
- UBS Fund Management (Switzerland) AG
- UBS Fund Services (Luxembourg) S.A.

- *Financial Planners:* Affiliates of UBS Realty, including UBS AG and UBSFS, may provide financial planning services to their clients.
- *Banking Institutions:* As stated, UBS Realty is a member of the UBS Asset Management division of UBS Group AG, a Swiss financial organization.

Affiliated banking institutions include the following wholly owned subsidiaries of UBS Group AG: UBS AG, a Swiss banking organization and a financial holding company under the U.S. Bank Holding Company Act; and UBS Bank USA, a Utah industrial bank. Ultimate ownership by a foreign bank (UBS Group AG) subjects UBS Realty to certain provisions of the Bank Holding Company Act ("BHCA").

The Trust Company, an Illinois chartered non-depository trust company, is an affiliate of UBS Realty, as stated in *Item 4*, and provides fiduciary services to employee benefit retirement plans and serves as the trustee for various collective investment trusts ("Collective Trusts") exempt from registration

under the Investment Company Act, including the Collective Fund. Certain UBS Realty employees are also officers of, and we have entered into a sub-advisory agreement with, the Trust Company.

- *Pension Consultants:* UBS AM, UBSFS and other affiliates may provide pension consulting services to their clients, subject to compliance with applicable rules and regulations, including ERISA.
- *Other:* UBS Business Solutions US LLC, a wholly owned subsidiary of UBS Group AG, provides certain services to UBS's affiliates and subsidiaries that operate in the United States, including UBS Realty. Services currently include Finance, Risk Control, Compliance, Legal, Human Resources, and Technology.

We do not, nor do any of our management persons, have any relationships or arrangements that are material to our advisory business with an accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships, nor do we recommend or select other investment advisors for our clients.

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

Overview

This section of the Firm Brochure contains a summary of our Code of Business Conduct and Ethics. This description includes information on the conflicts of interests that may arise and how we address these conflicts.

UBS Realty has adopted a Code of Business Conduct and Ethics (the “Code”) designed to meet the requirements of Rule 204A-1 of the Advisers Act and which sets forth ethical standards of integrity and business conduct required from all employees, including compliance with any other applicable federal securities laws. The Code is intended, among other things, to ensure that personal investing activities by employees and certain of their family members are consistent with our fiduciary duty to clients. The Code sets forth policies and procedures on identifying, escalating and addressing any potential or actual conflicts of interest that may present themselves between employees, officers and directors of UBS Realty and its clients.

The Code incorporates the following general principles which all employees are required to uphold:

- UBS Realty and its employees must at all times place the interest of its clients ahead of their own;
- ethical conduct premised on fundamental principles of openness, integrity, honesty and trust;
- protection of material nonpublic information and requirements for prompt internal reporting of any violations of the Code; and
- protection against employees who report violations.

We do not invest, on behalf of ourselves or our clients, in securities that trade on exchanges; nevertheless, our Code addresses personal trading for employees. Included in the personal trading section is the requirement for all employees to pre-clear certain transactions. From time to time, the Firm and its employees can invest in the same commingled funds as our investors, and while a potential conflict with investors may arise, we have procedures designed to prevent such conflicts from occurring with respect to co-investments or seed capital investments.

The Code further requires employees that we deem as access persons (senior portfolio managers, portfolio managers, permanent members of the Investment Committee(s), RE-US Management Committee and all principals and registered representatives) to: (i) disclose any covered personal accounts¹ within 10 days of becoming an employee of the Firm, including certain immediate family member² accounts; (ii) submit initial and annual holdings reports disclosing their personal securities holdings, including those in affiliated mutual funds, in any covered personal accounts; and (iii) submit quarterly reports disclosing all personal securities transactions in any covered personal accounts. Holdings and transactions are periodically reviewed by Compliance, and any violations are

¹ A “covered personal account” includes any securities account (held at a broker-dealer, transfer agent, investment advisory firm, bank or other financial services firm) in which an employee has a beneficial interest or over which the employee has investment discretion or other control or influence.

² Immediate family members, as defined by the SEC, include any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and shall include adoptive relationships.

appropriately escalated to the Chief Compliance Officer and resolved in accordance with Rule 204A-1, UBS Realty policies and any other federal securities laws, as applicable.

The Code also contains policies and procedures designed to detect other conflicts of interest and prevent insider trading. All UBS Realty employees are required, upon hire and on at least an annual basis, to confirm receipt of the Code and to attest their compliance with the policies and procedures therein. All employees are also required to complete comprehensive compliance training on at least an annual basis.

In addition to the Code, UBS Realty and UBS adhere to global policies that require compliance with relevant regulatory and legal requirements. An example of such a requirement would be sanctions, which are any measure or restriction (including those often referred to as embargoes), taken by one or more countries, their respective government agencies or by an international organization, which is aimed at restricting dealings of any kind with or involving another country, specific persons, legal entities, organizations or goods. UBS Realty and UBS may also deem certain additional countries or industries to be high risk and may restrict business activities with certain countries, governments, government-controlled entities, territories or persons.

A full copy of the Code is available to any client or prospective client upon request.

Allocation of Co-Investment Opportunities

UBS Realty may allocate co-investment opportunities among interested parties at its sole discretion and part of that consideration could involve the size of investor commitments to the Funds and other Separate Accounts and strategic investors with which we have a significant financial and business relationship, as well as a broad range of other considerations, including, commercial considerations for the applicable portfolio investment, an investor's stated desire to participate in co-investments, our determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available to an investor in connection with the Fund, and there is no guarantee, prediction or projection of the availability to an investor of co-investment opportunities. UBS Realty potentially faces a conflict when deciding to offer co-investment opportunities to other clients, including any strategic investors that have a significant financial and business relationship with UBS Realty. UBS Realty at times will have the discretion to grant co-investment rights and the determine the terms of any co-investment by such comingled fund, and the terms on which such other co-investors invest could be different and potentially more favorable than the terms which such fund invests. UBS Realty may absorb certain expenses borne in connection with establishing such co-investments but may not absorb similar expenses or costs incurred by the fund in connection with the portion of these co-investments being made by the fund and such expenses and costs will be treated as expenses of the fund.

Item 12. Brokerage Practices

Overview

This section of the Firm Brochure contains information regarding our brokerage practices, including the selection of broker-dealers and other execution counterparties and in negotiating fee commissions and other transaction costs on behalf of our client accounts.

Although this question about brokerage practices is best suited for securities transactions rather than real property, we feel it is helpful for our clients to understand how we select real estate brokers when we sell our properties.

Real estate brokerage execution is different from securities trade execution. Where there is a great deal of national competing brokerage execution services for securities, we will select qualified real estate brokers who assist in the sale of investments dependent on multiple considerations, such as geographic location and local market knowledge; recent transactions; broker opinion of value ("BOV"); buyer contact list to ensure broad exposure to qualified purchasers quality and reliability of services; marketing support; ability and dependability to close on a timely basis; experience with the property type and the level of complexity involved; reputation; and the nature of any potential conflict with the broker, among others.

After qualifying a broker, we negotiate a fee commission, which will have the effect of reducing sale proceeds, based on factors such as transaction size, property type and transaction complexities (for example, debt, tenancy, legal issues).

We receive no additional services that we would otherwise pay for, such as research, from real estate brokers or other third parties (i.e. soft dollars) in exchange for services. Also, in selecting or recommending real estate brokers, we do not consider whether or not we receive or a related person receives client referrals from a broker or third party, nor do we direct real estate transactions to any real estate broker in return for client referrals.

Furthermore, we do not recommend, request or require that a client direct us to use a particular real estate broker and we typically do not permit clients to direct us to use a particular real estate broker. Finally, because we buy and sell real estate, there are no conditions that exist in which we aggregate the purchase or sale of real estate for various portfolios.

Item 13. Review of Accounts

Overview

This section of the Firm Brochure describes our process for reviewing client accounts. We also describe the types of reports we provide to clients.

Account reviews

The senior portfolio manager and portfolio manager review funds and accounts for compliance with investment guidelines on a quarterly basis. The Chief Compliance Officer or the compliance officer reviews the funds and accounts annually and compares the asset allocations and property types to any written guidelines on file for the accounts. In addition, for transactions presented to the Investment Committee, the materials presented to the Investment Committee will ordinarily reflect how the proposed transaction would affect the portfolio on a *pro forma* basis relative to the portfolio's investment guidelines.

Significant transactions will also trigger a review to determine the impact the transaction will have on the resulting fund or account. The senior portfolio managers or portfolio managers will conduct the review. A member of research or a member of the accounting staff may be asked to review the impact on an account or fund for more complex transactions.

Additionally, the Firm reviews valuation results on a quarterly basis. The results are presented to the chief executive officer of the Firm, the Firm's Head of Business Operations, the portfolio managers, the asset management regional heads, managing directors, the Valuation Unit members and representatives of the fund's audit firm. The meeting is intended to review and inform senior management of valuation changes within portfolios, by property and at a portfolio level, and to provide an understanding of valuation changes that may occur.

Valuation reviews

In addition to the above, an independent valuation advisory firm administers the valuation process and reviews the valuations of the real estate investments of the commingled funds on a quarterly basis, subject to oversight by the Firm's Valuation Unit.

Initial appraisals are generally completed within 6 months of acquisition, and are subject to independent appraisal at least annually, which include a complete property and market inspection. All appraisers are employed by a network of independent, reputable appraisal firms, hold the MAI designation, and are generally rotated every 3 years. This serves to enhance the credibility of the valuation process by replacing the property's appraiser of record with a new independent appraiser with no knowledge of the previous valuation conclusion or its inherent assumptions.

The valuation process for individual client accounts are subject to agreement between the Firm and each individual client.

Client reporting

When it comes to information, we establish dialogue with our clients through phone conversations, periodic written reports, and periodic investment meetings. We attempt to make our staff as available as necessary to the client and/or consultant to provide the information requested. Our Client Service

Representatives are generally available upon request to meet with each client annually. Senior portfolio managers or portfolio managers are available, upon request, to attend client meetings as well.

For commingled funds, each investor receives periodic reports that detail the fund's activity, performance and investment strategy. We produce a flash report quarterly that provides a summary of the results of the previous quarter, followed by a detailed quarterly fund manager's report. The quarterly fund manager's report typically contains an executive summary, detailed performance analysis, portfolio structure, strategy update, investment activity and quarterly financial statements. Currently, the following reports are those typically provided to the client in written format.

Report	Content	Timing (after quarter-end)
Flash report	Brief market and performance analysis	20 to 25 days approximately
Client statement	Account balance and summary of transactions	20 to 25 days approximately
Fund manager's report	Executive summary, detailed performance analysis, account structure, strategy and activity.	45 - 60 days
Supplemental information (open-end commingled funds)	Quarterly financial statements, property listings, projections and other detailed information.	45 - 60 days
Research Quarterly - US	Real estate market information and topics of interest.	60 to 90 days
Additional reports	Periodically, additional reports are distributed regarding current topics of interest.	Ad hoc
Annual audited financial statements	Fund financial statements and independent auditor's report.	60 to 120 days

Item 14. Client Referrals and Other Compensation

Overview

This section of the Firm Brochure describes our process for client referrals and related compensation arrangements.

We do not receive any economic benefit from anyone who is not a client for providing advisory services to our clients.

We may compensate solicitors, placement agents, distributors, or marketers (any of which could include affiliates) for new business. We compensate such persons who introduce investors to accounts managed by us out of a portion of the fees collected by us (such expenses are borne by us and not the Client). The duration of fees shared for each such arrangement varies on a case-by-case basis.

We have a marketing and support arrangement with UBS Asset Management (US) Inc. and UBS Asset Management (Japan) Ltd, and a distribution agreement with UBS Fund Management (Switzerland) AG

We have a referral arrangement in place with UBSFS in which individual financial advisors can be paid a referral fee if the advisor introduces a real estate or farmland property in which a managed portfolio invests. Any fees paid under this arrangement will be paid out of our revenue and we will not bill additional fees to clients as a result of the property referral arrangement.

We also have a placement agreement with UBSFS in which UBSFS acts as a non-exclusive placement agent and provides related client services in connection with investments in units of a share class in one of our commingled funds targeted to certain types of investors who are or will be clients of UBSFS.

We can enter into similar arrangements with other affiliates of UBS Realty for providing all or some of the following services: (i) identifying qualified investors that are interested in investing in our funds and making sales presentations to such investors; (ii) assisting in the process of selling and issuing interests to such investors; (iii) providing ongoing investor relationship services to certain investors; (iv) coordinating communications among UBS Realty, the funds it manages, and fund investors; and (v) other services as mutually agreed between our Firm and these affiliated entities. The amount of fees and frequency of payments will vary depending upon the agreement reached. We will not bill additional fees to clients as a result of any referral arrangement. Fees paid to any affiliate of UBS Realty will be paid out of our revenue.

Item 15. Custody

Overview

This section of the Firm Brochure describes our custody of client assets.

The Firm acts as an investment adviser to pooled real estate investment vehicles and individually managed real estate accounts, and our affiliates act as general partners in the pooled investment vehicles structured as real estate limited partnerships. We do not have physical possession of client funds or securities; however, we can provide securities-related advice to certain clients with respect to ancillary cash in the funds and accounts. We can arrange for payments for acquisitions and other expenses as stipulated in client agreements and, accordingly, we do have control and discretionary authority over certain client assets.

Property level bank accounts are generally opened under the (unaffiliated) property manager's name as agent for the property name and fund or account level accounts are opened under the legal name of the fund or client (some older accounts may be in the Firm's name as agent for the fund or client).

If the Firm does provide securities related advice (such as by causing excess cash to be invested in securities) the Firm will comply with Rule 206(4)-2 of the Advisers Act (the "Custody Rule") with respect to the affected fund or account.

The Firm has engaged an independent public accounting firm, registered with and subject to inspection by the Public Company Accounting Oversight Board ("PCAOB"), to audit the financial statements for both single investor real estate accounts and multi-investor pooled real estate funds. Audited financial statements are sent to the clients and the limited partners for each fund within 120 days of the account's fiscal year end.

Item 16. Investment Discretion

Overview

This section of the Firm Brochure describes our discretionary arrangements when providing investment advisory services to clients.

Although we do not manage securities accounts, we have discretionary authority to invest in real property and mortgage assets, in accordance with the account's or fund's respective governing documents. Investors in commingled pooled real estate funds have no authority to place limitations on investment activities.

Individually managed real estate account clients, on the other hand, enter into an investment management agreement specifying the level of discretion they want us to have and/or imposing restrictions on our authority to enter into transactions. A number of these clients request prior notification of our intent to buy or sell a property. Some of these clients engage in a pre-approval process whereby they must authorize a proposed transaction in advance, and others can establish diversification limits on geography, property type, or strategy.

We have engaged Aetna Asset Advisers, LLC to invest cash for certain funds or accounts over which we have discretion. Under the sub-advisory agreement, Aetna has assumed day-to-day responsibility for the investment of cash pursuant to written guidelines and is paid by UBS Realty out of its fee revenue. Under this arrangement, the cash can be invested in securities.

Item 17. Voting Client Securities

Overview

This section of the Firm Brochure describes how the Firm manages proxy votes on behalf of our clients.

The properties in which we invest typically do not have proxies attached to them. The third-party sub-adviser we use to manage cash for some of our funds or clients generally does not engage in, but is not precluded from, voting proxies related to cash investments.

Item 18. Financial Information

Overview

This section of the Firm Brochure describes our financial condition, including whether UBS Realty has been the subject of any bankruptcy petition and whether we require fee payment in advance.

The Firm does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, nor has the Firm been the subject of a bankruptcy petition at any time during the past ten years.

There are no circumstances under which the Firm would require fee payment in advance.

Appendix. Privacy Notice

We are committed to protecting the personal information that we collect about prospective, current or former advisory clients.

Information We Collect

We collect non-public personal information in connection with providing investment advisory services primarily to process requests and transactions, provide customer service, and communicate information about our products and services. Personal information, which is obtained from subscription documents and other forms or correspondence, may include but is not limited to name(s), address, e-mail address, telephone number, date of birth, social security number or other tax identification number, bank account information, financial information and/or other investments in mutual funds or other investment programs managed by the Firm or our affiliates ("Personal Information").

Information Security

We limit access to Personal Information to those individuals who need to know that information in order to process transactions and service accounts. These individuals are required to maintain and protect the confidentiality of Personal Information and to follow established procedures. We maintain physical, electronic and procedural safeguards to protect Personal Information and to comply with applicable laws and regulations.

Information We Share

We do not sell Personal Information and we use reasonable commercial efforts not to disclose it to anyone except as described here. We may share Personal Information with our affiliates to facilitate the servicing of accounts and for other business purposes, or as otherwise required or permitted by applicable law. Our affiliates are companies that are controlled by a member of a Real Estate - US entity or that control or are under common control with our Firm. We may also share Personal Information with non-affiliated third parties that perform services, such as vendors that provide data or transaction processing, computer software maintenance and development, and other administrative services. When we share Personal Information with a non-affiliated third party, we will do so pursuant to a contract that includes provisions designed to ensure that the third party will uphold and maintain privacy standards when handling Personal Information. In addition to sharing information with non-affiliated third parties to facilitate the servicing of accounts and for other business purposes, we may also disclose Personal Information to non-affiliated third parties as otherwise required or permitted by applicable law. For example, we may disclose Personal Information to credit bureaus or regulatory authorities to facilitate or comply with investigations; to protect against or prevent actual or potential fraud, unauthorized transactions, claim or other liabilities; or to respond to judicial or legal process, such as subpoena requests.

Changes to Privacy Policy

Except as described in this privacy notice, we will not use Personal Information for any other purpose unless we describe how such Personal Information will be used and clients are given an opportunity to decline approval of such use of Personal Information relating to them (or affirmatively approve the use of Personal Information, if required by applicable law).

We endeavor to keep our customer files complete and accurate. Please notify your Client Service Representative or your portfolio manager if any Personal Information needs to be corrected or updated. If you have any questions or concerns about your Personal Information or this privacy notice, please contact your Client Service Representative.

In the European Union, the General Data Protection ("GDPR") went live on May 25, 2018, designed to enable individuals to better control their personal data. UBS takes your privacy seriously. Please consult the privacy notice at www.ubs.com/gdpr-amuki for general information on what personal data UBS collects what it does with that information and what rights you have.