

Item 1 - Cover Page

Part 2A of Form ADV: *Firm Brochure*

TGM Associates L.P.

650 Fifth Avenue 28th Floor
New York, NY 10019

Telephone: (212) 830-9310

Email: nvipperman@tgmassociates.com

Web Address: www.tgmassociates.com

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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 or would like a copy, please contact us at (212) 830-9310 or nvipperman@tgmassociates.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about 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 SEC and does not imply a certain level of skill or training.

Item 2 - Material Changes

Please carefully review the following material changes that have been made since the annual amendment filing on March 30, 2022:

- The departure of Sharmin Beacco as Chief Compliance Officer (“CCO”) and the appointment of Nicole Vipperman as the new CCO.
- TGM Associates closed a new private fund, TGM Apartment Partners II LP, on January 18, 2023.

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Item 4 - Advisory Business

TGM Associates was founded in 1991 to provide an integrated suite of real estate asset and property management services to its clients. It became an SEC-registered investment adviser in 1995 and its principal place of business is located at 650 Fifth Avenue, 28th Floor, New York, NY 10019. TGM Associates ownership is comprised of several limited partners, including SFT Real Estate LLC (1987) who is deemed a principal owner (as defined by the Instructions to Form ADV). However, TGM Associates is solely controlled by its general partner, TJG Holdings, Inc., whose sole shareholder is John Gochberg.

Pursuant to an umbrella registration, this Firm Brochure describes the advisory services provided by TGM Associates as “filing adviser” as well as TGM AM 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 private funds (each, a “Client” or “Private Fund” and, collectively, the “Clients” or “Private Funds”) whose investors are institutions, benefit plans pursuant to Employee Retirement Income and Securities Act (“ERISA”), and state pension plans (individually and collectively, “Investor(s)”). Additionally, TGM expects to begin investing in Freddie Mac K- deal securitizations (“K-Deals”) on behalf of certain of its Clients on a non-discretionary basis. In connection with its investment advisory services, TGM also provides property management services with respect to properties held by the Clients through its affiliate, TGM Communities LLC. Members of TGM’s team have worked together for almost 30 years, acquiring, managing, and selling apartment properties.

Tailored Advice and Investment Restrictions

TGM’s assets under management are held in the Private Funds. We tailor our services to the mandates of the Private Funds. To the extent mutually agreed upon in writing, TGM will accept reasonable investment restrictions from an Investor. For an Investor that establishes a direct advisory relationship with TGM (e.g., via a separately managed account), TGM tailors its advisory services to the mandate of that Investor as set forth in that Investor’s applicable Governing Documents (as defined below). Generally, our investment recommendations are limited to investments in multifamily properties or securities backed by multifamily properties.

Wrap Fee Programs

TGM does not participate in any wrap fee programs.

Client Assets Under Management

As of December 31, 2022, TGM’s regulatory assets under management totaled approximately \$3.23 billion, all of which was managed on a non-discretionary basis.

Item 5 - Fees and Compensation

In accordance with applicable documents including but not limited to investment management agreements, limited partner agreements, and/or operating agreements (individually and collectively “Governing Document(s)”), TGM earns a base investment advisory fee for providing investment advisory services of up to 1% of average daily equity invested in a private fund. TGM or an affiliate earns property management fees for supervising site level operations of the real estate properties owned by the Private Funds of up to 4% of collected revenues, as defined in the relevant Governing Documents.

Fees described above are payable monthly, bi-monthly, or quarterly in arrears and are invoiced to Investors, or paid directly from the Private Funds’ accounts, in accordance with the applicable Governing Documents. TGM also earns an incentive fee in consideration for its investment advisory services of up to 20% of a specified threshold paid annually during the relevant investment holding period or upon the liquidation of the investment in accordance with applicable Governing Documents. TGM considers all fees to be negotiable and does not require or solicit pre-payment of fees. Each Governing Document specifies how it can be terminated before its expiration dates.

TGM is deemed to be a fiduciary to Clients and Investors that are employee benefit plans pursuant to ERISA, and regulations under the Internal Revenue Code of 1986 (the “Internal Revenue Code”), respectively. As such, TGM 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.

Expenses

The Private Funds or Investors generally bear their own expenses in accordance with their Governing Documents, including but not limited to: fees and out-of-pocket costs and expenses incurred in connection with the formation of the Private Fund entity; legal and other expenses incurred in connection with the maintenance of the Private Fund entity; the out-of-pocket charges and expenses of maintaining the Private Funds’ bank accounts or of any banks, custodians or depositories, including without limitation the out-of-pocket charges and expenses for administering the Private Funds to the extent that such charges relate to services typically provided by third parties; extraordinary expenses relating to the Private Funds; and all out-of-pocket costs incurred by TGM or its affiliates that are related to the Private Funds’ operations, including without limitation travel costs, fees and other out-of-pocket expenses related to the investigation of investment opportunities, whether or not consummated, including without limitation all expenses incurred in connection with identifying, 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) – with respect to the K-deals, in addition to the aforementioned fees, costs and expenses, the Private Funds may also incur acquisition or disposition fees paid to a bond market expert.

Property expenses related to TGM’s supervision of daily operations of the properties may include, amongst other expenses as detailed in the relevant Governing Documents, 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 certain level and/or may require preliminary approvals as specified in the respective Governing Documents. 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 in its sole discretion.

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, TGM is entitled to performance-based fees from Clients or Investors if their returns exceed predetermined thresholds. The majority of our Clients or Investors pay incentive compensation on the aggregate returns of their entire portfolio of investments. However, in instances where they do not, there is the risk that TGM may have an incentive to invest the Private Funds' capital more speculatively than would otherwise be prudent in an effort to generate outsized returns. This risk is mitigated by the Investors' investment approval right for each investment and the right to terminate TGM with or without cause.

TGM endeavors at all times to put the interests of our Clients and Investors above our own interests as part of our fiduciary duty. Accordingly, TGM takes the following steps to address potential conflicts of interest: TGM seeks to disclose to Investors the existence of all material conflicts of interest; TGM has implemented policies and procedures designed to ensure the fair and consistent allocation of investment opportunities among all Client and Investor accounts; and 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 Investors and equitable treatment of all Clients and Investors, regardless of the fee arrangement.

Item 7 - Types of Clients

TGM provides investment advisory services to institutional investors through investment vehicles structured as private funds. The institutional investors participating in the private funds may include pension and profit-sharing plans, trusts, endowments, corporations or other business and investment entities. Investors in the private funds 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 amended), as applicable, in addition to meeting general sophistication requirements. TGM maintains governing documents relating to its investment advisory services directly with the underlying investors in the private funds in addition to the private fund entities.

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

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

Method of Analysis

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

There can be no assurance that Investors' investment objectives will be achieved, and actual investment results may vary substantially from the investment objectives. Each Investor should be prepared to bear these risks. The success of TGM's investment activities will depend on our ability to identify investment opportunities that have the proper risk/reward balance. There can be no assurance that an Investor'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 an Investor's investment programs will be successful.

TGM generally recommends each investment opportunity to the Client for which we believe it is most appropriate. If TGM's Investment Committee determines an investment opportunity is appropriate for more than one Client, it will be recommended to applicable Clients on a rotating basis. The investment will be first offered to the Client for which the most time has passed since such Client has accepted a proposed investment. When a Client accepts a proposed investment, that Client will then move to the end of the rotation list. TGM's allocation log and investment pipelines are shared with Clients and Investors on a regular basis.

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. The Investment Committee, comprising of all the managing principals, convenes as required to fully vet each potential investment in accordance with specific criteria, which include, but is not limited to, asset quality, location, current and projected future market conditions, rationality of the trends and assumptions underpinning the underwriting model, exit strategy and potential risk factors.

TGM is an economic buyer of multifamily properties with greater than 100 units located in the Continental United States. We focus on markets where we believe the market has significant positive pressure and for reasons that are non-pejorative to the market and/or property may temporarily be out of favor at any given moment with Investors. Factors TGM considers when evaluating positive market pressure include the following: 1) we like markets with 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 professional and/or skilled workers; 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. Examples include well-located properties that need capital improvements, properties that have problematic debt that needs to be assumed, and properties located in constrained and semi-constrained secondary

markets with strong business and economic drivers that have not yet attracted other institutional investors. We believe each of these circumstances limits the competition, providing better pricing for TGM and its clients.

TGM utilizes a sophisticated, proprietary database to record and manage deal flow. The database is updated continuously to reflect all changes in activity or other data. In addition to the efficient management of deals that are currently active, the database provides a material trove of historic data that can be efficiently retrieved as needs arise.

TGM is a fully integrated (horizontally and vertically) operating company. TGM's property management company is TGM Communities LLC. TGM Communities LLC plays a significant role in TGM's acquisition, disposition, and financing processes. As the Acquisitions personnel evaluate potential acquisitions, the property management personnel support them by:

- Providing real-time feedback regarding local operating numbers, if applicable.
- Providing actual current cost information for anticipated capital needs.
- Providing actual current cost estimates for operating expenses.
- Helping the acquisitions personnel evaluate the identified risks for each target.
- Visiting the target and/or target market to confirm material underwriting factors/risks.

The metrics for analyzing and underwriting assets, such as entry and exit cap rates, rent growth, vacancy, resident turnover, capital expense, operating expenses and debt financing are continuously reviewed and updated. TGM uses third-party research materials which may include information from, but not necessarily limited to, CoStar, REIS, Real Capital Analytics, Claritas and National Multifamily Housing Council in its investment process to research metropolitan areas nationwide. TGM also subscribes to a wide variety of written publications that cover apartment market data, such as vacancy, rents, construction, building permits and sub-market data.

Freddie Mac K-Deals

Freddie Mac K-Deal securitizations are commercial mortgage-backed securities comprised of pooled mortgage loans where the underlying collateral is 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 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 expects to 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 potentially rewarded for the increased risks by acquiring the security at a discount to the notional amount of the underlying securities.

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 can 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 a separate service, TGM provides property management for its Investors’ real estate assets for specified fees and on terms that have been approved by the respective Investor through its affiliate, TGM Communities LLC. TGM Communities LLC is overseen by TGM’s Chief Operating Officer with the support of TGM’s regional teams and subject matter specialists. TGM Communities LLC provides full-service property management, including property level reporting to Investors. As a result, Investors’ properties are continuously monitored by TGM. Please see Item 5 for a description of the property management fees received by TGM and its affiliates.

Various metrics of each portfolio’s performance are prepared weekly and monthly by the TGM Accounting Department and distributed to the Operating Committee members. The TGM Operating Committee meets regularly and discusses as necessary portfolios and individual properties as well as regional or national trends that might potentially affect future portfolio or property performance.

III. Disposition of Property

TGM periodically provides Investors with recommendations regarding disposition of assets in each Client’s portfolio. Generally, the same market investigation/tracking that TGM performs to assess buying opportunities abets our assessment of the appropriate time to sell, especially after TGM overlays the specific market knowledge it gathers by being a fully integrated operating company.

IV. Risk Factors

Investing in real estate and securities involves a risk of loss. Investors 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. Investors should carefully review the risk factors in the applicable Governing Documents 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 an Investor'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 a Private Fund's 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 Investors are required to sell for liquidity reasons. In addition, the ability of Investors 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, tenant protection and other governmental laws, changes in operating expenses, changes in real estate and other 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, building material prices, labor shortages, 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 and social unrest, natural disasters, pandemics and other public health crises, and uninsurable losses and other factors beyond the control of the TGM's management, all of which could have a material, adverse effect on the Clients' investments. Additionally, the Private Funds 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 Private Funds will reduce the cash available for distribution and may require the Private Funds to fund deficits resulting from the operation of a property.

Investors 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 an Investor 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 an Investor'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 an Investor. Use of leverage will subject an Investor to risks normally associated with debt financing, including the risk that a Private Fund'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 Private Fund will be unable to repay its debt at maturity and the lender could seize a Private Fund'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 Private Fund'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 Private Fund's investments through foreclosure, or a financial loss if an Investor 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 Private Funds. 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, other natural disasters, 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, civil unrest, 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 a pandemic) 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.

In particular, the outbreak of COVID-19 adversely impacted global commercial activity, contributed to significant volatility in financial markets and led to dislocation in certain real estate markets. For example, state, federal and non-U.S. laws and regulations were enacted that placed restrictions on landlords as well as lenders in the real estate sector and other industries from exercising certain of their rights in the event of tenant or borrower defaults or delinquencies, including eviction and foreclosure rights. In addition, certain jurisdictions suspended the enforcement of residential and commercial evictions or implemented debt payment relief packages. As COVID-19 has shown, epidemics have the potential for substantial impacts on the economy at large, real estate markets and on Clients' property investments while specifically remaining uncertain and difficult to assess.

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 Private Funds, and could render insurance coverage unavailable or cost prohibitive.

Recent Developments in the Banking Sector

Recent bank closures in the U.S. banking sector have caused uncertainty for financial services companies, and fear of instability in the global financial system generally. In addition, other financial institutions – in particular smaller and/or regional banks – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. As a consequence, for example, property investments may be delayed or prevented from accessing money or making any required payments under their own debt or other contractual obligations, and Investors may be impacted in their ability to honor capital calls and/or receive distributions. Any such events, in turn, may impact a Private Fund's operations. In addition, there could be a closure of a financial institution that provides credit facilities and/or other forms of financing to one of TGM's Private Funds or property investments, and, in such event, there can be no assurance that their ability to honor these obligations will continue or be unaffected or, if affected, whether other financial institutions can provide replacement financing or capabilities and on similar terms. Certain of these institutions may provide significant banking services to the real estate industry. There is a risk that other banking, or other financial institutions, may be similarly impacted, and it is uncertain what steps regulators may take in the event of further bank closures. Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect one or more of TGM's Private Funds or one or more of their property investments or its overall performance.

Inflation

The U.S. and other developed economies are experiencing higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a property investment is unable to increase its rents in times of higher inflation, its profitability may be adversely affected. As inflation rises, a property investment may collect more rents but may incur higher expenses. As inflation declines, a property investment may not be able to reduce expenses commensurate with any resulting reduction in rents.

Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the TGM's Private Funds' returns.

Additional Risk Factors related to K-Deals and their Underlying Mortgage Loans

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 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 for applicable tranches. 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 obtaining refinancing of the related underlying mortgage loan or selling 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, the K-deal Investors' interests.

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, amount, and number 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 expected.

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 or Investor'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 two pooled investment vehicles managed by TGM. TGM AP GP does not conduct any activities other than serving as the general partner of these pooled investment vehicles.

TGM AM, a Delaware limited liability company and another affiliate of TGM Associates, provides investment management services to two pooled investment vehicles managed by TGM which are governed by a single asset management agreement.

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 Investors 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 TGM's Supervised Persons (as such term is defined in the Code) of their ethical and legal responsibilities with respect to securities transactions involving (a) possible conflicts of interest with Clients or Investors or (b) the possession of material, non-public information.

Under the Code, access persons are considered Supervised Persons and must act in the best interests of Clients and Investors to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with Clients or Investors to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Supervised Persons are also required to comply with applicable provisions of the federal securities laws and make prompt reports to 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 Supervised Persons. The Code generally prohibits Supervised Persons from engaging in personal trading in the securities of issuers on TGM's restricted list; requires pre-clearance for all transactions involving initial public offerings or securities in a limited offering (*i.e.*, a private placement); requires "access persons", as defined under the Act, 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; 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 Clients, Investors and prospective Clients or Investors, by emailing nvipperman@tgmassociates.com or by calling us at (212) 830-9310.

TGM AM is a relying adviser 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.

As discussed in Item 4, TGM provides, directly or through affiliates, advisory services related to investments to institutional investors through private funds that invest in multifamily residential real estate. TGM may participate in a nominal ownership in the private funds in accordance with the applicable Governing Documents. TGM and its principals, officers and directors will devote as much time as they deem necessary and appropriate to manage the investments by its Clients or as described in the Governing Documents.

Item 12 - Brokerage Practices

Where TGM has discretion to select which broker to use in effecting Client transactions (i.e., securities including K-deals and certain real estate transactions), TGM seeks to select the broker that it believes is most likely to provide the best execution for the Client transaction, taking into consideration qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for transaction data and other financial information.

We do not receive any incentive to select or recommend a broker. Clients pay for brokerage fees or expenses incurred in investment transactions.

Item 13 - Review of Accounts

The investments made by 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. These reviews include, without limitation, preparing sell vs. hold/refinance analyses, preparation/updating of key positive market pressure characteristics for each market where we own properties, review of actual vs. budgeted performance, etc.

TGM provides to each of its Investors (i) annual GAAP audited and quarterly unaudited financial statements, including certain schedules and other reports specified in the applicable governing documents for the applicable Private Fund 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.

TGM also meets at least annually with each of its Investors to review their portfolio returns and to assess each Investor's and respective 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 Investor's and respective 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 Investors and Clients provide an economic benefit to TGM for providing investment advice or other advisory services to our Investors and Clients.

TGM will, from time to time, engage referral agents/promoters 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 by Clients or Investors. Where applicable, such compensation is paid in a manner intended to comply with SEC Marketing Rule 206(4)-1.

Item 15 - Custody

TGM has custody of Clients' assets. All Clients' funds and securities are held at qualified custodians except for certain privately offered securities as defined under Rule 206(4)-2 under the Act. All Client entities are audited annually by a PCAOB registered independent public accountant and copies of the audited financial statements are distributed to each Investor on or prior to 120 days after the fiscal year end. Investors should carefully review these statements.

Item 16 - Investment Discretion

TGM offers to manage Investors' assets on either a discretionary or non-discretionary basis. Currently, TGM manages all Client accounts on a non-discretionary basis. Investors may engage TGM to provide discretionary investment advisory services, in which case TGM will acquire and manage assets on the Investor's behalf, within the guidelines and limitations set forth in the applicable Governing Documents. Investors may amend such guidelines and limitations by amending their respective Governing Documents 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 or Investors.

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 or Investor more than six months in advance of services rendered. As an advisory firm that is deemed to have custody of Client assets, 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.