



## **VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**

**Annual Report  
March 31, 2019**

### **VERSUS CAPITAL ADVISORS LLC**

This report is for shareholders of Versus Capital Multi-Manager Real Estate Income Fund LLC. It is not authorized for distribution unless preceded or accompanied by a current prospectus for the Fund. Shares of the Fund are distributed by Foreside Funds Distributors LLC, Berwyn, Pennsylvania.

***Important Information:  
Intent to adopt alternate shareholder report delivery option under SEC Rule 30e-3***

Beginning in April, 2021, as permitted by regulations adopted by the SEC, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (<https://www.versuscapital.com/vcmix-docu>), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically anytime by contacting your financial intermediary (such as an investment adviser, broker, bank or trust company) or, if you are a direct investor, by calling the Fund (toll-free) at (877) 200-1878 or by sending an email request to the Fund at [info@versuscapital.com](mailto:info@versuscapital.com).

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you may contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you may call the Fund (toll-free) at (877) 200-1878 or by sending an email request to the Fund at [info@versuscapital.com](mailto:info@versuscapital.com) to let the Fund know you wish to continue receiving paper copies of your reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held in your account if you invest directly with the Fund.

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

### Privacy Notice

This notice describes the Fund's privacy policy. The Fund is committed to protecting the personal information that it collects about individuals who are prospective, former or current investors. The Fund collects personal information for business purposes to process requests and transactions and to provide customer service. "Personal Information" is obtained from the following sources:

- Investor applications and other forms, which may include your name(s), address, social security number or tax identification number.
- Written and electronic correspondence, including telephone contacts; and
- Transaction history, including information about the Fund's transactions and balances in your accounts with the Fund or its affiliates or other holdings of the Fund and any affiliation with the Adviser and its subsidiaries.

The Fund limits access to Personal Information to those employees who need to know that information in order to process transactions and service accounts. Employees are required to maintain and protect the confidentiality of Personal Information. The Fund maintains physical, electronic and procedural safeguards to protect Personal Information.

The Fund may share Personal Information described above with the Adviser and its various other affiliates or service providers for business purposes, such as to facilitate the servicing of accounts. The Fund may share the Personal Information described above for business purposes with a non-affiliated third party only if the entity is under contract to perform transaction processing, servicing or maintaining investor accounts on behalf of the Fund. The Fund may also disclose Personal Information to regulatory authorities or otherwise as permitted by law. The Fund endeavors to keep its customer files complete and accurate. The Fund should be notified if any information needs to be corrected or updated.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Shareholder Letter

March 31, 2019

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Dear Shareholder,

Versus Capital Advisors LLC (“Versus Capital”), is pleased to provide the audited annual financial statements for the Versus Capital Multi-Manager Real Estate Income Fund LLC (the “Fund”) for the fiscal year ended March 31, 2019. This fiscal year saw substantial growth in the assets of the Fund, which grew by over \$700 million to approximately \$2.8 billion. In addition to the substantial growth in assets under management, the Fund continued to consistently deliver strong returns with minimal volatility. As the Fund closes in on seven years of track record in July, the Fund has generated consistent annualized returns over 1-year (+6.7%), 3-year (+5.8%), 5-year (+7.0%) and since inception (+6.7%) periods, net of fees.

*Performance data quoted represents past performance, which does not guarantee future results. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost; and the current performance may be lower or higher than the performance data quoted. Please call for the most recent month-end performance.*

Given where we are in the economic cycle, we believe that predictability of income is of utmost importance. We have seen additional allocations to real estate and real assets among large institutions like CalSTRS, and other large public pension plans have announced increases to their exposure to real assets. We believe this increased demand for real estate makes sense as real estate and real assets have historically possessed stable cash flows and attractive earnings growth compared to other asset classes. Additionally, they have served as diversifiers to traditional asset classes. Fundamentals in real estate are still strong overall with new supply being driven by genuine demand, and major markets and property types remain in balance. We continue to see compelling opportunities in all property types, but are cognizant of structural changes affecting drivers of demand.

During the last fiscal year, we shifted the portfolio to a slightly higher exposure in private debt and foreign core positions in an effort to capture the most compelling risk-adjusted returns and add increased diversification. We underwrote and invested in two additional funds during the last year; the CBRE US Core Partners Fund and the Clarion Gables Multifamily Property Trust. The Gables position allows us to increase our exposure to the multifamily sector which we believe will benefit from demographic tailwinds and has historically provided high occupancy during all points in the economic cycle. The Fund now holds 19 distinct institutional real estate investment positions that collectively give our shareholders exposure to over \$125 billion of major market, well-leased, commercial real estate. Occupancy across the portfolio remains strong at 93.9% with a weighted average lease maturity of over 5 years. Leverage at the underlying funds is a modest 24.5% and, as a reminder, the Fund does not use leverage at the fund level.

At Versus Capital, we believe it is critical for all investors to diversify beyond traditional 60/40 portfolios (60% MSCI ACWI / 40% Barclays Global Agg) with alternative investments. The drivers are in place for the real estate asset class to continue to deliver steady performance into the foreseeable future and provide investors with these important diversification benefits. Real estate's potential to provide positive returns when traditional asset class returns turn negative is attractive. This was illustrated during 2018 when a global 60/40 portfolio had negative returns in three out of four quarters and lost 5.6% for the year, whereas unlevered core real estate (NCREIF NPI) returned +6.7% during the same period<sup>1</sup>. Since the inception of our Fund in 2012, a global 60/40 portfolio delivered negative quarterly returns ten times compared to the Fund posting only one slightly negative quarter during the same time period.

We believe that the fund is well-positioned to continue to deliver attractive risk-adjusted returns, and on behalf of the entire Versus Capital team, I would like to thank you for your continued support.

Sincerely, Mark Quam  
Chief Executive Officer

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<sup>1</sup> Pricing methodologies for private core real estate (NCREIF NPI) and public market indices differ. Private real estate uses a quarterly appraisal-based methodology while public indices use public market auction based methodologies. The quarterly appraisal-based methodology of the private real estate may result in a lack of price transparency as compared to public market Indices. Private real estate investment may also have higher costs and less liquidity than the other investments represented.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders  
Versus Capital Multi-Manager Real Estate Income Fund LLC

### Opinion on the financial statements

We have audited the accompanying statement of assets and liabilities of Versus Capital Multi-Manager Real Estate Income Fund LLC (the "Fund"), including the portfolio of investments, as of March 31, 2019, the related statements of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of March 31, 2019, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2019, by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the auditor of one or more investment companies in the Fund's investment company group since 2011.

Chicago, Illinois  
May 30, 2019

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Portfolio of Investments – March 31, 2019

Shares		Value	Shares		Value
<b>Private Investment Funds * - 79.2%</b>					
<b>Diversified – 79.2%</b>					
			17,092	Fonciere Des Regions, REIT (France).....	\$ 1,813,770
			8,214	Gecina SA, REIT (France).....	1,214,418
132,272	Class A Shares.....	\$ 135,651,442	130,915	Inmobiliaria Colonial SA (Spain).....	1,345,922
47,116	Class B Shares.....	48,319,775	47,460	Interxion Holding NV*** (Netherlands).....	3,167,006
24,886,932	AEW Value Investors US LP.....	24,816,284	326,114	Irish Residential Properties PLC, REIT.....	581,654
562,619	Barings Core Property Fund LP.....	74,625,719	54,141	Klepierre, SA, REIT (France).....	1,893,654
63,921	Barings European Core Property Fund.....	72,724,139	26,285	LEG Immobilien AG (Germany).....	3,227,170
74,093,483	CBRE U.S. Core Partners REIT Operating LP.....	105,768,447	102,000	Liberty Property Trust, REIT.....	4,938,840
39,221	Clarion Gables Multifamily Trust LP.....	50,020,105	740,020	Londonmetric Property, PLC, REIT (United Kingdom).....	1,924,796
158,382	Clarion Lion Properties Fund LLC.....	240,379,663		Mapletree Logistics Trust, REIT (Singapore).....	1,184,590
86,966	Harrison Street Core Property Fund.....	119,351,312	1,099,600	Merlin Properties Socimi SA, REIT (Spain).....	3,184,498
172,306	Heitman America Real Estate LP.....	214,283,523	243,365	Mitsubishi Estate Co., Ltd. (Japan).....	3,638,961
107,563	Heitman Core Real Estate Debt Income Trust LP.....	110,392,816	201,100	Mitsui Fudosan Co., Ltd. (Japan).....	4,401,085
600	Invesco Core Real Estate USA.....	112,236,795	175,500	Mitsui Fudosan Logistics Park Inc., REIT (Japan)....	1,212,267
799,259	Invesco Real Estate Asia Fund (Cayman) Unit Trust Class A Units.....	101,891,185	379	New World Development Co., Ltd. (Hong Kong)....	4,421,852
90,819	LaSalle Property Fund LP Class A Shares.....	149,881,687	631	Nomura Real Estate Master Fund, Inc., REIT.....	929,164
35,225	LaSalle Property Fund LP Class B Shares.....	58,133,017	237,502	Segro, PLC, REIT (United Kingdom).....	2,083,069
62,622	Mesa Core Lending Fund LP Class A.....	66,373,559	910	Sekisui House Reit, Inc. (Japan).....	687,242
49,078	Met Life Commercial Mortgage Income Fund.....	50,395,345	62,192	Spirit Realty Capital, Inc., REIT.....	2,470,888
1,729,434	RREEF America Reit II, LP.....	215,781,428	226,500	SunHung Kai Properties, Ltd.....	3,886,592
4,514	Trumbull Property Fund, LP.....	50,549,022	43,797	TLG Immobilien AG (Germany).....	1,318,636
9,001	Trumbull Property Income Fund, LP.....	113,418,458	138,032	VICI Properties, Inc., REIT.....	3,020,140
—	US Government Building, LP**.....	101,597,729	39,744	Weyerhaeuser Co., REIT.....	1,046,857
	<b>Total Private Investment Funds.....</b>	<b>2,216,591,450</b>	<b>50,2425</b>	Wihlborgs Fastigheter AB (Sweden).....	<b>684,787</b>
	(Cost \$2,070,717,647)				<b>94,206,154</b>
<b>Common Stocks – 10.5%</b>					
<b>Health Care – 0.7%</b>					
			158,225	HCP, Inc., REIT.....	4,952,442
			99,447	Healthcare Trust of America, Inc., REIT Class A shares.....	2,843,190
368,017	American Homes 4 Rent, REIT Class A shares.....	8,361,346	191,420	Physicians Realty Trust, REIT.....	3,600,610
143,791	Apartment Investment & Management Co., REIT Class A shares.....	7,231,249	258,120	Primary Health Properties, PLC, REIT (United Kingdom).....	436,375
53,215	AvalonBay Communities, Inc., REIT.....	10,681,847	58,871	SabraHealth Care REIT, Inc.....	1,146,218
63,450	Equity Residential, REIT.....	4,779,054	78,225	Senior Housing Properties Trust, REIT.....	921,490
9,955	Essex Property Trust, Inc., REIT.....	2,879,384	65,041	Welltower, Inc., REIT.....	5,047,182
528,119	Independence Realty Trust, Inc., REIT.....	5,698,404			<b>18,947,507</b>
2,422	Invincible Investment Corp., REIT (Japan).....	1,184,448			
258,428	Invitation Homes, Inc., REIT.....	6,287,554			
				<b>Hotels – 0.6%</b>	
597	Japan Rental Housing Investments, Inc., REIT..... (Japan).....	475,101	203,600	City Developments, Ltd. (Singapore).....	1,359,587
			140,107	Extended Stay America, Inc.....	2,514,921
137	Kenedix Residential Next Investment Corp., REIT (Japan).....	227,077	1,659,400	Far East Hospitality Trust, REIT (Singapore).....	857,096
			16,530	Hilton Grand Vacations, Inc. ***.....	509,950
77,375	UNITE Group, PLC, REIT (United Kingdom).....	924,634	14,630	Hilton Worldwide Holdings, Inc.....	1,215,899
		<b>48,730,098</b>	206,850	Host Hotels & Resorts, Inc., REIT.....	3,909,465
			13,900	Hyatt Hotels Corp.....	1,008,723
			3,503	Japan Hotel REIT Investment Corp. (Japan).....	2,822,502
22,889	ADO Properties SA (Luxembourg) 144A.....	1,300,482	31,225	Pebblebrook Hotel Trust, REIT.....	969,848
3,076	Altarea SCA, REIT (France).....	634,205	115,637	Sunstone Hotel Investors, Inc., REIT.....	1,665,173
699,700	Arena, REIT (Australia).....	1,381,167			<b>16,833,164</b>
320,005	Aroundtown SA (Luxembourg).....	2,638,410			
185,365	Atrium European Real Estate, Ltd. (Jersey).....	692,421			
				<b>Mortgages – 0.0%</b>	
433,600	Capitaland Retail China Trust, REIT (Singapore).....	502,307	22,352	Two Harbors Investment Corp., REIT.....	302,423
65,998	Castellum AB (Sweden).....	1,280,236			
101,051	Charter Hall Group, REIT (Australia).....	736,886			
22,700	Coresite Realty Corp., REIT.....	2,429,354			
				<b>Office Properties – 1.2%</b>	
3,637,259	Cromwell Property Group, REIT (Australia).....	2,827,989	61,274	Alexandria Real Estate Equities, Inc., REIT.....	8,735,221
18,769	Crown Castle International Corp, REIT.....	2,402,432	7,425	Boston Properties, Inc., REIT.....	994,059
69,463	Deutsche Wohnen SE (Germany).....	3,368,503	38,700	Brandywine Realty Trust, REIT.....	613,782
187,545	Dexus, REIT (Australia).....	1,696,541	827,000	Champion REIT (Hong Kong).....	716,387
12,650	Digital Realty Trust, Inc., REIT.....	1,505,350	266,509	City Office REIT, Inc.....	3,014,217
389,200	Dream Industrial Real Estate Investment Trust (Canada).....	3,474,506	73,256	Corporate Office Properties Trust, REIT.....	1,999,889
			110	Daiwa Office Investment Corp., REIT (Japan).....	782,099
312,200	Echo Investment SA.....	337,456	113,350	Douglas Emmett, Inc., REIT.....	4,581,607
57,185	Entra ASA (Norway) 144A.....	863,250	107,882	Hudson Pacific Properties, Inc., REIT.....	3,713,298
40,050	EPR Properties, REIT.....	3,079,845	58,439	Kilroy Realty Corp., REIT.....	4,439,026
17,549	Equinix, Inc., REIT.....	7,952,505	3,644	MCUBS MidCity Investment Corp., REIT (Japan)....	3,347,101
56,779	Fabege AB (Sweden).....	824,451			<b>32,936,686</b>

See accompanying notes to financial statements.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Portfolio of Investments – March 31, 2019 (continued)

Shares		Value	Shares		Value
	<b>Real Estate Operation/Development - 0.2%</b>			<b>Diversified – 0.0%</b>	
277,165	Essential Properties Realty Trust, Inc., REIT	\$ 5,410,261		Digital Realty Trust, Inc., REIT,	
551,200	Leopalace21 Corp. *** (Japan)	1,099,118	850	Series C, 6.63% .....	22,338
		6,509,379	14,125	Series H, 7.38% .....	352,842
	<b>Regional Malls – 0.6%</b>		1,350	Series J, 5.25% .....	31,968
73,079	Macerich Co., The, REIT .....	3,167,975		PS Business Parks, Inc., REIT	
35,375	Simon Property Group, Inc., REIT .....	6,445,679	13,875	Series V, 5.70% .....	360,056
110,462	Tanger Factory Outlet Centers, Inc., REIT .....	2,317,493	2,850	Series Y, 5.20% .....	67,659
108,711	Taubman Centers, Inc., REIT .....	5,748,638		Vornado Realty Trust, REIT	
		17,679,785	6,425	Series K, 5.70% .....	162,167
	<b>Residential – 0.1%</b>		1,900	Series L, 5.40% .....	47,139
26,460	Sun Communities, Inc., REIT .....	3,136,039	1,675	Series M, 5.25% .....	39,279
					1,083,448
	<b>Shopping Centers – 0.5%</b>			<b>Health Care – 0.0%</b>	
379	Kenedix Retail REIT Corp. (Japan) .....	924,332	3,650	Senior Housing Properties Trust, REIT 6.25%....	96,944
143,225	Kimco Realty Corp., REIT .....	2,649,662			
407,000	Link REIT (Hong Kong) .....	4,759,597		<b>Hotels – 0.0%</b>	
460,008	Newriver REIT, PLC (United Kingdom) .....	1,428,950	825	Hersha Hospitality Trust, REIT, Series D, 6.50%.	18,884
175	Saul Centers, Inc., REIT	8,990	2,500	Pebblebrook Hotel Trust, REIT, Series D, 6.38%.	65,625
51,936	SITE Centers Corp., REIT	707,368	7,625	Sunstone Hotel Investors, Inc., REIT,	
92,295	Weingarten Realty Investors, REIT .....	2,710,704		Series F, 6.45% .....	194,666
		13,189,603			279,175
	<b>Storage – 0.4%</b>			<b>Office Properties – 0.2%</b>	
85,376	CubeSmart, REIT .....	2,735,447	1,875	Boston Properties, Inc., REIT, Series B, 5.25% ..	47,081
52,175	Life Storage, REIT .....	5,075,062	80	Highwoods Properties, Inc., REIT, Series A 8.63%	98,000
20,700	Public Storage, REIT .....	4,508,046	120,531	SL Green Realty Corp., REIT, Series I, 6.50%....	3,112,110
		12,318,555	81,700	VEREIT, Inc., Series F, 6.70% .....	2,056,389
					5,313,580
	<b>Warehouse / Industrial – 1.0%</b>			<b>Regional Malls – 0.3%</b>	
387,100	AIMS AMP Capital Industrial, REIT, (Singapore)	405,595		Brookfield Property REIT, Inc., Series A, 6.38%	1,760,880
29,100	CyrusOne, Inc., REIT .....	1,526,004	69,600	Pennsylvania Real Estate Investment Trust, REIT	
282,895	Goodman Group, REIT (Australia)	2,681,612	28,250	Series C, 7.20% .....	586,188
510	Industrial & Infrastructure Fund			Taubman Centers Inc., REIT,	
	Investment Corp., REIT (Japan) .....	569,223		Series J, 6.50% .....	2,982,164
194,067	Industrial Logistics Properties Trust, REIT .....	3,914,331	115,275	Series K, 6.25% .....	1,378,805
1,219,140	Macquarie Mexico Real Estate Management SA		53,650		6,708,037
	de CV, REIT (Mexico) 144A .....	1,330,924		<b>Shopping Centers – 0.2%</b>	
686,270	PLA Administradora Industrial S de RL de CV,			Kimco Realty Corp., REIT,	
	REIT (Mexico) .....	1,051,489		Series I, 6.00% .....	252,730
188,420	Prologis, Inc., REIT .....	13,556,819	9,950	Series J, 5.50% .....	115,227
21,623	Safestore Holdings, PLC, REIT		4,650	Series L, 5.13% .....	103,119
	(United Kingdom) .....	1,679,939	4,375	Series M, 5.25% .....	127,568
130,337	WPT Industrial Real Estate Investment Trust		5,475	Saul Centers, Inc., REIT, Series C, 6.88% .....	843,294
	(Canada) .....	1,819,505		SITE Centers Corp., REIT,	
		28,535,441		Series A, 6.38% .....	987,460
	<b>Total Common Stocks .....</b>	<b>293,324,834</b>	<b>38,800</b>	Series J, 6.50% .....	1,795,234
	(Cost \$270,513,021)		69,475	Series K, 6.25% .....	77,220
			3,000	Urstadt Biddle Properties, Inc., REIT,	
	<b>Preferred Stock – 1.1%</b>			Series G, 6.75% .....	447,724
	<b>Apartments/Single Family Residential – 0.3%</b>		17,300	Series H, 6.25% .....	1,666,081
	American Homes 4 Rent, REIT		63,325		6,415,657
85,146	Series D, 6.50% .....	2,256,369		<b>Storage – 0.1%</b>	
55,475	Series E, 6.35% .....	1,447,898		National Storage Affiliates Trust, REIT, 6.00% ..	1,203,432
6,225	Series F, 5.88% .....	153,446	48,350	Public Storage, REIT,	
4,800	Series G, 5.88% .....	119,280	875	Series B, 5.40% .....	22,199
60,425	Apartment Investment & Management Co., REIT,		800	Series E, 5.15% .....	19,832
	Series A, 6.88% .....	1,542,650		Series G, 5.05% .....	649,269
2,800	Mid-America Apartment Communities, Inc.,		25,950	Series V, 5.38% .....	1,187,242
	REIT, 8.50% .....	\$ 176,078	47,950	Series W, 5.20% .....	301,351
	National Retail Properties, Inc. REIT .....		12,275	Series X, 5.20%	226,756
29,775	Series E, 5.70% .....	752,414	9,125	Series Z, 6.00% .....	94,838
10,675	Series F, 5.20% .....	258,869	3,750		3,704,919
		6,707,004			

See accompanying notes to financial statements.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Portfolio of Investments – March 31, 2019 (continued)

Shares		Value	Par		Value
	<b>Storage – (continued)</b>			<b>Office Properties - 0.5%</b>	
	<b>Warehouse / Industrial – 0.0%</b>			Alexandria Real Estate Equities, Inc., REIT,	
2,675	QTS Realty Trust, Inc., REIT, Series W, 7.13%.	\$ 67,410	425,000	4.00%, 1/15/2024	\$ 439,798
	Rexford Industrial Realty, Inc., REIT,			Brandywine Operating Partnership LP, REIT,	
4,325	Series A, 5.88% .....	106,525	763,000	4.10%, 10/1/2024	776,680
23,175	Series B, 5.88% .....	567,092		Columbia Property Trust Operating Partnership	
		741,027	846,000	LP, REIT - 4.15%, 4/1/2025	847,074
	<b>Total Preferred Stock .....</b>	<b>31,049,791</b>		Corporate Office Properties LP, REIT,	
	(Cost \$30,543,803)		2,716,000	3.60%, 5/15/2023 .....	2,688,404
			1,079,000	5.25%, 2/15/2024 .....	1,136,986
	<b>Par</b>			Highwoods Realty LP, REIT,	
	<b>Corporate Debt – 1.3%</b>		458,000	3.63%, 1/15/2023 .....	459,776
	<b>Apartments/Single Family Residential - 0.1%</b>			Kilroy Realty LP, REIT,	
	American Homes 4 Rent LP, REIT,			4.38%, 10/01/2025 .....	39,255
\$ 419,000	4.25%, 2/15/2028	415,084	38,000	Office Properties Income Trust, REIT,	
714,000	4.90%, 2/15/2029	741,047		4.15%, 2/1/2022	2,141,330
	Camden Property Trust, REIT,		2,127,000	4.00%, 7/15/2022	2,772,448
68,000	4.88%, 6/15/2023	72,799	2,778,000	Piedmont Operating Partnership LP, REIT,	
	Essex Portfolio LP, REIT,			3.40%, 6/1/2023 .....	741,739
247,000	3.63%, 8/15/2022	251,396	761,000	Qualitytech LP / QTS Finance Corp. 144A	
259,000	3.38%, 4/15/2026	256,209		4.75%, 11/15/2025 .....	241,180
	Mid-America Apartments LP, REIT,		248,000	SL Green Realty Corp., REIT	
237,000	4.00%, 11/15/2025	244,147		4.50%, 12/1/20224 .....	331,000
	VEREIT Operating Partnership LP, REIT,		320,000		12,615,670
535,000	4.13%, 6/01/2021	544,084			
868,000	4.63%, 11/01/2025	898,533		<b>Regional Malls – 0.0%</b>	
537,000	4.88%, 6/01/2026	559,616		CBL & Associates LP, REIT	
		3,982,915	369,000	5.25%, 12/1/2023 .....	287,820
	<b>Diversified – 0.1%</b>		881,000	4.60%, 10/15/2024 .....	637,624
	Lexington Realty Trust, REIT,				925,444
38,000	4.25%, 6/15/2023 .....	38,152		<b>Shopping Centers – 0.1%</b>	
254,000	4.40%, 6/15/2024 .....	256,289		Kimco Realty Corp., REIT,	
	Liberty Property LP, REIT,		1,373,000	3.13%, 6/1/2023 .....	1,361,634
65,000	3.38%, 6/15/2023 .....	65,494	424,000	2.70%, 3/1/2024 .....	410,205
1,480,000	4.40%, 2/15/2024 .....	1,554,325		Regency Centers Corp., REIT,	
	Vornado Realty LP, REIT,		57,000	3.75%, 11/15/2022 .....	58,060
236,000	3.50%, 1/15/2025 .....	234,433		Retail Properties of America, Inc., REIT,	
	Washington Real Estate Investment Trust,		304,000	4.00%, 3/15/2025 .....	292,675
118,000	3.95%, 10/15/2022 .....	120,802		SITE Centers Corp., REIT,	
		2,269,495	84,000	4.63%, 7/15/2022 .....	86,635
	<b>Health Care - 0.4%</b>		974,000	3.63%, 2/1/2025 .....	956,854
	HCP, Inc., REIT,			Weingarten Realty Investors, REIT	
88,000	3.88%, 8/15/2024 .....	89,736	106,000	4.45%, 1/15/2021 .....	109,780
151,000	3.40%, 2/1/2025 .....	150,167	243,000	3.25%, 8/15/2026 .....	230,426
	Senior Housing Properties Trust, REIT,				3,506,269
1,604,000	6.75%, 4/15/2020 .....	1,632,111		<b>Storage - 0.1%</b>	
215,000	6.75%, 12/15/2021 .....	226,671		CubeSmart LP, REIT,	
917,000	4.75%, 2/15/2028 .....	850,911	253,000	4.8%, 7/15/2022 .....	264,351
	Ventas Realty LP, REIT,		117,000	4.00%, 11/15/2025 .....	118,133
1,101,000	3.10%, 1/15/2023 .....	1,101,462		LifeStorage LP/CA, REIT,	
435,000	3.75%, 5/1/2024 .....	445,449	1,713,000	3.50%, 7/1/2026 .....	1,650,872
556,500	3.50%, 2/1/2025 .....	557,151			2,033,356
816,000	3.25%, 10/15/2026 .....	793,068		<b>Warehouse/Industrial - 0.0%</b>	
	Ventas Realty LP / Ventas Capital Corp., REIT,		106,000	Duke Realty LP, REIT,	
957,000	3.25%, 8/15/2022 .....	965,841		3.63%, 4/15/2023 .....	108,104
	Welltower, Inc., REIT,			<b>Total Corporate Debt</b>	<b>35,651,509</b>
1,832,000	3.75%, 3/15/2023 .....	1,879,986		(Cost \$35,570,735)	
1,038,000	3.95%, 9/1/2023 .....	1,077,157			
428,000	4.00%, 6/1/2025 .....	440,546			
		10,210,256			

See accompanying notes to financial statements.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Portfolio of Investments – March 31, 2019 (continued)

Par		Value	Shares			
<b>Commercial Mortgage Backed Securities – 3.6%</b>			<b>Commercial Mortgage Backed Securities – (continued)</b>			
BANK,			Wells Fargo Commercial Mortgage Trust, 144A			
\$29,354,796	0.96%, 11/15/2054 Ser 2017-BNK9, Class XA...	\$ 1,641,858	\$ 2,020,000	2.88%, 5/15/2048 Ser 2015-NXS1, Class E.....	\$ 1,476,204	
8,575,000	1.56%, 11/15/2054 Ser 2017-BNK9, Class XD, 144A	890,406	2,125,000	4.76%, 11/15/2048 Ser 2015-C31, Class E.....	1,610,209	
2,000,000	2.80%, 11/15/2054 Ser 2017-BNK9, Class D, 144A	1,626,029		WFRBS Commercial Mortgage Trust, 144A		
5,000,000	3.37%, 11/15/2054 Ser 2017-BNK9, Class E, 144A	3,355,053	2,650,000	3.99%, 5/15/2047 Series 2014-C20, Class D....	2,079,577	
2,000,000	3.08%, 6/15/2060 Ser 2017-BNK5, Class D, 144A	1,687,894	2,000,000	4.05%, 9/15/2057 Series 2014-C22, Class D....	1,643,352	
3,000,000	4.40%, 6/15/2060 Ser 2017-BNK5, Class E, 144A	2,090,827			100,370,268	
			<b>Total Commercial Mortgage Backed Securities</b>		<b>100,370,268</b>	
			(Cost \$96,713,393)			
BENCHMARK Mortgage Trust,						
12,667,5000	1.26%, 1/15/2051 Ser 2018-B1, Class XE.....	1,111,067				
5,000,000	3.00%, 11/1/2054 Ser 2018-B1, Class E, 144A	3,298,935		<b>Short-Term Investment – 3.6%</b>		
3,680,000	1.50%, 11/1/2054 Ser 2018-B3, Class XD, 144A	401,072	100,636,072	Morgan Stanley Institutional Liquidity Fund-		
2,000,000	3.06%, 11/1/2054 Ser 2018-B3, Class D, 144A	1,751,414		Treasury Securities Portfolio, 2.27%.....	\$ 100,636,072	
1,719,500	3.27%, 11/1/2054 Ser 2018-B6, Class D, 144A	1,498,202		(Cost \$100,636,072)		
5,000,000	4.02%, 11/1/2054 Ser 2019-B9, Class A5.....	5,323,490				
CD Mortgage Trust, 144A			<b>Total Investments – 99.3%</b>		<b>\$ 2,777,623,924</b>	
	3.26%, 8/15/2051 Ser 2018-CD7, Class D	2,375,563		(Cost \$2,604,694,671)		
CGMS Commercial Mortgage Trust, 144A						
	3.00%, 8/15/2050 Ser 2017-B1, Class D.....	1,606,277		<b>Other Assets Net of Liabilities – 0.7%</b>	<b>19,689,725</b>	
Citigroup Commercial Mortgage Trust, 144A.....			<b>Net Assets – 100.0%</b>		<b>\$ 2,797,313,649</b>	
49,752,414	0.92%, 3/10/2051 Ser 2018-B2, Class XA.....	2,621,912				
1,000,000	3.38%, 6/10/2051 Ser 2018-C5, Class D.....	874,534				
Comm Mortgage Trust, 1						
2,500,000	4.47%, 12/10/2045 Ser 2018-CR5, Class F, 144A	2,056,691		* Non-Tradable Securities		
2,932,500	5.17%, 3/10/2047 Ser 2014-UBS3, Class D, 144A	2,684,124		** Partnership is not designated in units. The Fund owns approximately 5.7%		
2,600,000	4.98%, 5/10/2047 Ser 2014-CR17, Class D, 144A	2,565,198		*** Non-income producing security		
1,500,000	3.50%, 9/10/2047 Ser 2014-UBS5, Class D, 144A	1,279,357				
3,620,000	4.40%, 2/10/2048 Ser 2015-LC19, Class E, 144A	2,930,616				
2,000,000	3.80%, 10/10/2048 Ser 2015-LC23, Class D, 144A	1,891,447		<b>Portfolio Abbreviations:</b>		
4,000,000	4.23%, 5/10/2048 Ser 2018-COR3, Class A3...	4,303,063		LP – Limited Partnership		
CSAIL Commercial Mortgage Trust,			PLC – Public Limited Company			
3,980,500	2.15%, 3/15/2052 Ser 2019-C15, Class XD, 144A	626,919		REIT – Real Estate Investment Trust		
2,500,000	3.00%, 3/15/2052 Ser 2019-C15, Class, 144A	2,052,262		144A – Rule 144A Security		
7,500,000	4.05%, 3/15/2052 Ser 2019-C15, Class A4.....	7,955,061				
GS Mortgage Securities Trust, 144A						
2,000,000	4.91%, 8/10/2046 Ser 2013-GC14, Class F.....	1,715,207				
3,500,000	5.13%, 4/10/2047 Ser 2014-GC20, Class D.....	3,020,643				
1,750,000	3.58%, 6/10/2047 Ser 2014-GC22, Class E.....	1,254,886				
JP Morgan Chase Commercial Mortgage Securities Trust, 144A			<b>Industry</b>			
1,433,000	3.74%, 12/15/2046 Ser 2013-C16, Class E.....	1,245,511		Diversified.....	82.7%	
JPMBB Commercial Mortgage Securities Trust, 144A			Short-Term Investments.....			3.6%
1,425,000	4.86%, 4/15/2047 Ser 2014-C19, Class D.....	1,359,585		Commercial Mortgage Backed Securities.....	3.6%	
3,500,000	4.04%, 11/15/2047 Ser 2014-C24, Class D.....	3,132,728		Apartments/ Single Family Residential.....	2.2%	
JPMCC Commercial Mortgage Securities Trust, 144A			Office Properties.....			1.9%
5,000,000	4.03%, 3/10/2052 Ser 2019-COR4, Class A5...	5,309,408		Health Care.....	1.1%	
Morgan Stanley Bank of America Merrill Lynch Trust, 144A			Warehouse/Industrial.....			1.0%
2,153,000	4.26%, 5/15/2046 Ser 2013-C9, Class D.....	2,059,511		Regional Malls.....	0.9%	
1,250,000	4.92%, 6/15/2047 Ser 2014-C16, Class D.....	1,009,752		Shopping Centers.....	0.8%	
3,576,000	4.55%, 10/15/2048 Ser 2015-C26, Class E.....	2,719,331		Storage.....	0.6%	
4,012,000	3.30%, 11/15/2052 Ser 2017-C34, Class E.....	2,570,207		Hotels.....	0.6%	
Morgan Stanley Capital I Trust,			Real Estate Operation / Development.....			0.2%
3,000,000	4.07%, 3/15/2052 Ser 2019-L2, Class A4.....	3,201,503		Residential.....	0.1%	
SG Commercial Mortgage Securities Trust,			Mortgages.....			0.0%
13,634,965	2.16%, 10/10/2048 Ser 2016-C5, Class XA.....	1,344,620		Other Assets Net of Liabilities.....	0.7%	
UBS-Barclays Commercial Mortgage Trust, 144A			Total			<u>100.0%</u>
24,054,802	1.79%, 12/10/2045 Ser 2012-C4, Class XA.....	1,141,509				
2,000,000	5.20%, 8/10/2049 Ser 2012-C3, Class D.....	1,977,254				

See accompanying notes to financial statements.



**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Statement of Assets and Liabilities**  
**March 31, 2019**

<b>ASSETS:</b>	
<b>Investments:</b>	
Investment in securities at cost.....	\$ 2,604,694,671
Net unrealized appreciation.....	<u>172,929,253</u>
Total investment in securities, at fair value .....	<u>2,777,623,924</u>
Foreign Currency (cost \$64,594).....	64,618
<b>Receivables for:</b>	
Investments sold.....	2,251,967
Dividends and interest.....	22,583,377
Fund shares sold.....	6,717,536
Reclaims.....	<u>197,118</u>
Total receivables .....	31,749,998
Prepaid expenses .....	<u>267,903</u>
<b>Total Assets</b> .....	<u><b>2,809,706,443</b></u>
<b>LIABILITIES:</b>	
<b>Payables for:</b>	
Investments purchased .....	4,709,001
Dividends .....	875
Adviser fees, net.....	6,891,197
Administrative fees .....	143,028
Audit and tax fees.....	34,622
Custodian fees.....	23,625
Legal fees.....	337,537
Registration fees.....	18,662
Printing fees .....	56,893
Transfer agent fees .....	125,221
Accrued expenses and other liabilities .....	<u>52,133</u>
<b>Total Liabilities</b> .....	<u>12,392,794</u>
Commitments and Contingent Liabilities (Note 7)	
<b>NET ASSETS</b> .....	<u><b>\$ 2,797,313,649</b></u>
<b>NET ASSETS consist of:</b>	
Paid-in capital .....	2,598,368,017
Total distributable earnings .....	<u>198,945,632</u>
<b>TOTAL NET ASSETS</b> .....	<u><b>\$ 2,797,313,649</b></u>
<b>Class I-Shares</b>	
Net Assets .....	\$ 2,797,313,649
Shares of beneficial interest outstanding (unlimited authorization) .....	99,132,058
Net asset value price per share (Net Assets/Shares Outstanding) .....	<u>28.22</u>

*See accompanying notes to financial statements.*

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Statement of Operations**  
**For the Year Ended March 31, 2019**

<b>Investment Income:</b>	
Dividend income .....	\$ 91,520,787
Interest income .....	6,321,201
Less: foreign taxes withheld .....	(409,430)
<b>Total Investment Income</b> .....	<u>97,432,558</u>
<b>Expenses:</b>	
Adviser fees (Note 3) .....	25,804,780
Administrative fees.....	793,988
Director's fees (Note 3).....	120,001
Transfer agent fees, Class I-Shares.....	329,649
Custodian fees .....	211,280
Registration fees .....	84,001
Audit and tax fees.....	60,672
Legal fees .....	552,981
Printing.....	357,463
Insurance fees.....	46,446
Other expenses .....	600,310
<b>Total Expenses</b> .....	<u>28,961,571</u>
<b>Net Investment Income</b> .....	<u>68,470,987</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	
Net realized gain on investments.....	9,722,603
Net realized loss on foreign currency transactions .....	(239,775)
Net change in unrealized appreciation on investment securities and foreign currency .....	<u>77,374,836</u>
<b>Net Realized and Unrealized Gain on Investments</b> .....	<u>86,857,664</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>\$ 155,328,651</u>

*See accompanying notes to financial statements.*

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Statement of Changes in Net Assets**  
**Years Ended March 31, 2019 and 2018**

<b>Increase in Net Assets:</b>	<b>2019</b>	<b>2018</b>
From Operations:		
Net investment income.....	\$ 68,470,987	\$ 44,271,049
Net realized gain on investment securities and foreign currency.....	9,482,828	7,261,985
Net change in unrealized appreciation on investments and foreign currency.....	77,374,836	40,439,537
<b>Net Increase in Net Assets Resulting from Operations .....</b>	<b>155,328,651</b>	<b>91,972,571</b>
<b>Distributions to Shareholders from:</b>		
Net investment income and net realized gains, Class F-Shares <sup>(a)</sup> .....	—	(592,521)
Net investment income and net realized gains, Class I-Shares <sup>(a)</sup> .....	(69,011,394)	(38,141,516)
Return of Capital, Class F-Shares .....	—	(474,259)
Return of Capital, Class I-Shares.....	(39,247,870)	(41,104,470)
<b>Total Distributions .....</b>	<b>(108,259,264)</b>	<b>(80,312,766)</b>
<b>Capital Share Transactions:</b>		
<b>Class F-Shares:</b>		
Shares issued .....	—	8,974,308
Reinvested dividends .....	—	215,641
Share conversions.....	—	(22,411,469)
Shares redeemed.....	—	(8,173,746)
<b>Total Class F-Shares .....</b>	<b>—</b>	<b>(21,395,266)</b>
<b>Class I-Shares:</b>		
Shares issued .....	742,673,327	862,604,320
Reinvested dividends .....	26,989,204	15,925,405
Share conversions.....	—	22,411,469
Shares redeemed.....	(203,906,088)	(118,236,764)
<b>Total Class I-Shares .....</b>	<b>565,756,443</b>	<b>782,704,430</b>
<b>Net Increase in Net Assets Resulting from Capital Share Transactions .....</b>	<b>565,756,443</b>	<b>761,309,164</b>
<b>Total Increase in Net Assets .....</b>	<b>612,825,830</b>	<b>772,968,969</b>
<b>Net Assets:</b>		
Beginning of Period .....	<u>\$ 2,184,487,819</u>	<u>\$ 1,411,518,850</u>
End of Period.....	<u>\$ 2,797,313,649</u>	<u>\$ 2,184,487,819</u>
<b>Share Transactions:</b>		
<b>Class F-Shares:</b>		
Shares sold.....	—	326,235
Shares issued in reinvestment of dividends.....	—	7,875
Share conversions.....	—	(814,205)
Shares redeemed.....	—	(298,154)
<b>Net Decrease in Class F-Shares .....</b>	<b>—</b>	<b>(778,249)</b>
<b>Class I-Shares:</b>		
Shares sold.....	26,663,935	31,265,984
Shares issued in reinvestment of dividends.....	976,360	580,343
Share conversions.....	—	812,325
Shares redeemed.....	(7,366,155)	(4,305,862)
<b>Net Increase in Class I-Shares .....</b>	<b>20,274,140</b>	<b>28,352,790</b>
<b>Net Increase in Shares of Beneficial Interest Outstanding.....</b>	<b>20,274,140</b>	<b>27,574,541</b>

(a) For the year ended March 31, 2018, distributions to shareholders were from net investment income.

*See accompanying notes to financial statements.*

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2019**

<b>Cash Flows Provided by Operating Activities:</b>	
Net increase in net assets resulting from operations .....	\$ 155,328,651
<b>Adjustments to Reconcile Net Increase in Net Assets Resulting</b>	
<b>From Operations to Net Cash Used in Operating Activities:</b>	
Purchases of investment securities .....	(799,819,783)
Proceeds from disposition of investment securities .....	323,885,213
Net proceeds from short-term investment securities.....	(43,668,359)
Change in net unrealized appreciation on securities .....	(77,374,836)
Net realized gain from investments sold.....	(9,722,603)
Net realized loss from foreign currency transactions.....	239,775
Net amortization/(accretion) of premium/(discount) .....	277,495
Increase in dividends and interest receivable.....	(7,178,360)
Increase in other assets .....	(86,277)
Increase in prepaid expenses .....	(145,512)
Increase in Adviser fees payable, net.....	1,456,833
Decrease in administration fees payable.....	(22,417)
Decrease in audit and tax fees payable .....	(36,178)
Increase in legal fees payable .....	319,176
Decrease in custodian fees payable .....	(27,721)
Decrease in distribution fees payable .....	(15,696)
Increase in registration fees payable.....	15,789
Increase in printing fees payable .....	43,786
Increase in transfer agent fees payable .....	44,662
Decrease in accrued expenses and other liabilities .....	(142,447)
<b>Net Cash Used in Operating Activities .....</b>	<b>(456,628,809)</b>
Effect of exchange rate changes on foreign currency .....	(252,015)
<b>Cash Flows from Financing Activities:</b>	
Proceeds from shares sold .....	741,750,677
Payment of shares redeemed .....	(203,906,088)
Dividends paid (net of reinvestment of dividends).....	(81,269,185)
<b>Net Cash Provided by Financing Activities .....</b>	<b>456,575,404</b>
<b>Net Increase in Cash.....</b>	<b>(305,420)</b>
<b>Cash and Foreign Currency:</b>	
Beginning of the period.....	370,038
End of the period .....	<u>\$ 64,618</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Reinvestment of dividends .....	<u>\$ 26,989,204</u>

*See accompanying notes to financial statements.*

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Financial Highlights Class I-Shares**

	Year Ended March 31, <u>2019</u>	Year Ended March 31, <u>2018</u>	Year Ended March 31, <u>2017</u>	Year Ended March 31, <u>2016</u>	Year Ended March 31, <u>2015</u>
<b>Net Asset Value, Beginning of Period</b>	\$ 27.70	\$ 27.52	\$ 27.30	\$ 26.47	\$ 25.47
Income from investment operations .....					
Net investment income <sup>(a)</sup> .....	0.77	0.65	0.67	0.65	0.64
Net realized and unrealized gain .....	0.99	0.79	0.85	1.46	1.62
<b>Total from investment operations</b> .....	<u>1.76</u>	<u>1.44</u>	<u>1.52</u>	<u>2.11</u>	<u>2.26</u>
<b>Less Distributions:</b>					
Distribution from Net Investment Income .....	(0.79)	(0.61)	(0.75)	(0.39)	(0.95)
Return of Capital .....	(0.45)	(0.65)	(0.55)	(0.89)	(0.31)
Total Distributions	<u>(1.24)</u>	<u>(1.26)</u>	<u>(1.30)</u>	<u>(1.28)</u>	<u>(1.26)</u>
<b>Net Asset Value, End of Period</b>	<u>\$ 28.22</u>	<u>\$ 27.70</u>	<u>\$ 27.52</u>	<u>\$ 27.30</u>	<u>\$ 26.47</u>
<b>Total Return Based on Net Asset Value</b>	6.70%	5.32%	5.79%	8.58%	8.74%
<b>Ratios and Supplemental Data:</b>					
Net Assets at end of period (000's) .....	\$ 2,797,314	\$ 2,184,488	\$ 1,390,152	\$ 688,906	\$ 156,577
Ratios of gross expenses to average net assets .....	1.17%	1.24%	1.27%	1.35%	1.89%
Ratios of net expenses to average net assets .....	1.17%	1.24%	1.27%	1.34%	1.46%
Ratios of net investment income to average net assets .	2.77%	2.37%	2.45%	2.44%	2.50%
Portfolio turnover rate .....	13.48%	13.03%	24.97%	20.93%	39.83%

(a) Per Share amounts are calculated based on average outstanding shares.

See accompanying notes to financial statements.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Notes to Financial Statements

March 31, 2019

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### NOTE 1. ORGANIZATION

Versus Capital Multi-Manager Real Estate Income Fund LLC (the “Fund”) is a Delaware limited liability company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, continuously offered, closed-end management investment company that provides liquidity through a quarterly repurchase policy. The Fund’s investment objectives are to seek consistent current income, capital preservation and long-term capital appreciation. The Fund attempts to achieve these objectives by allocating its capital among a select group of institutional asset managers (the “Investment Managers”) with expertise in managing portfolios of real estate and real estate-related investments. The Fund was declared effective by the U.S. Securities and Exchange Commission (the “SEC”) on December 9, 2011, (the “Effective Date”) and accordingly, the Fund commenced its investment operations. The Fund was originally authorized to issue an unlimited number of shares of beneficial interest without par value up to a total of \$750,000,000. On February 2, 2016, the Fund registered additional shares allowing it to issue an unlimited number of shares of beneficial interest without par value up to a total of \$2 billion. On April 18, 2017, the registered additional shares allowing it to issue an unlimited number of shares of beneficial interest without par value to a total of \$4 billion.

The Fund was registered to offer two classes of shares, the F-Share Class (the “F-Shares”) and the I-Share Class (the “I-Shares”). The F-Shares were subject to an early withdrawal charge of 2.00% of the aggregate net asset value (“NAV”) of Class F-Shares repurchased during the first year following an initial purchase. F-Shares had early withdrawal charges of approximately \$3,000 for the year ended March 31, 2018. Effective January 26, 2018, F-Shares were eliminated and are no longer offered. Any remaining F-Shares were converted to I-Shares.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Securities Valuation** - Consistent with Section 2(a)(41) of the 1940 Act, the Fund prices their securities as follows: Investments in securities that are listed on the New York Stock Exchange (the “NYSE”) are valued, except as indicated below, at the last sale price reflected at the close of the NYSE. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices for the day or, if no ask price is available, at the bid price. Securities not listed on the NYSE but listed on other domestic or foreign securities exchanges are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price as reflected on the tape at the close of the exchange representing the principal market for such securities. If, after the close of a foreign market, but prior to the NYSE close, market conditions change significantly, certain foreign securities may be valued pursuant to procedures established by the Board of Directors (the “Board”).

Debt securities are valued at their bid prices by an independent pricing service using valuation methods that are designed to represent fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Debt securities purchased with a remaining maturity of 60 days or less are valued at acquisition cost, plus or minus any amortized discount or premium which approximates fair value.

Securities for which market prices are unavailable, or securities for which the Adviser determines that the bid and/or ask price does not reflect market value, will be valued at fair value pursuant to procedures approved by the Board. Circumstances in which market prices may be unavailable include, but are not limited to, trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include recent transactions in comparable securities, information relating to the specific security and developments in the markets. Short-term debt securities, which have a maturity date of 60 days or less, are valued at amortized cost, which approximates fair value. Investments in open-end mutual funds are valued at their closing NAV.

The Fund invests a significant portion of its assets in Private Investment Funds. The Board has approved procedures pursuant to which the Fund values its investments in Private Investment Funds at fair value. As a general matter, the Fund bases its NAV on valuations of its interests in the Private Investment Funds provided by the managers of the Private Investment Funds and their agents. These fair value calculations will involve significant professional judgment by the managers of the Private Investment Funds in the application of both observable and unobservable attributes and the calculated values of the Private Investment Funds themselves or their underlying assets may differ from their actual realizable value or future fair value. Additionally, between the quarterly valuation periods, the NAVs of the Private Investment Funds are adjusted daily based on the estimated total return that each underlying private fund will generate during the current quarter. The Adviser and the Board’s Valuation Committee monitor these estimates regularly and update them as necessary if macro-level considerations or individual fund considerations warrant any adjustments. At the end of the quarter, each Private Investment Fund’s net asset value is adjusted as needed to reflect the actual income and appreciation or depreciation realized by such Private Investment Fund when the quarterly valuations and income are reported by each manager. As of the March 31, 2019 financial statements presented herein, all of the Fund’s investments in Private Investment Funds are valued at the respective NAVs provided by the managers of the Private Investment Funds and their agents.

The Fund’s use of fair value pricing may cause the NAV of the Shares to differ from the NAV that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of such security.

Due to the inherent uncertainty of determining the fair value of investments that do not have readily available market quotations, the fair value of the Fund’s investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Notes to Financial Statements

March 31, 2019 (continued)

**Fair Value Measurements:** The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 – unadjusted quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. It is the Fund's policy to recognize transfers in and out of the levels at the value at the (end or beginning) of the period. For the year ended March 31, 2019, there were no transfers between levels. A summary of inputs used to value the Fund's investments as of March 31, 2019 is as follows:

	Total Market Value at 3/31/2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Common Stocks * .....	\$ 293,324,834	\$ 293,324,834	\$ –	\$ –
Preferred Stocks * .....	31,049,791	31,049,791	–	–
Corporate Debt * .....	35,651,509	–	35,651,509	–
Commercial Mortgage Backed Securities * .....	100,370,268	–	100,370,268	–
Short-Term Investments* .....	100,636,072	100,636,072	–	–
Subtotal .....	\$ 561,032,474	\$ 425,010,697	\$ 136,021,777	\$ –
Private Investment Funds* .....	<u>\$ 2,216,591,450</u>			
Total .....	<u>\$ 2,777,623,924</u>			

\* See Schedule of Investments for industry breakout.

At the end of each calendar quarter, management evaluates the classification of Levels 1, 2 and 3 assets and liabilities. Various factors are considered, such as changes in liquidity from the prior reporting period; whether or not a broker is willing to execute at the quoted price; the depth and consistency of prices from third party pricing services; and the existence of contemporaneous, observable trades in the market. Additionally, management evaluates the classification of Level 1 and Level 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

**Investment Income and Securities Transactions** - Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Fund is informed of the ex-dividend date. Dividend income is recorded net of applicable withholding taxes. Interest income is accrued daily. Premiums and discounts are amortized or accreted on an effective yield method on fixed income securities. Dividend income from REIT investments is recorded using management's estimate of the percentage of income included in distributions received from such investments based on historical information and other industry sources. The return of capital portion of the estimate is a reduction to investment income and a reduction in the cost basis of each investment which increases net realized gain (loss) and net change in unrealized appreciation (depreciation). If the return of capital distributions exceed its cost basis, the distributions are treated as realized gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts. The Fund may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and reclaims as applicable, based upon their current interpretation of tax rules and regulations that exist in the markets in which the Fund invests. Securities are accounted for on a trade date basis. The cost of securities sold is determined and gains (losses) are based upon the specific identification method.

**Foreign Currency** - Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates at 4:00 p.m. U.S. ET (Eastern Time). Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses). Realized gains (losses) and unrealized appreciation (depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statement of Operations from the effects of changes in market prices of those securities, and are included with the net realized and unrealized gain or loss on investment securities.

**Dividends and Distributions to Shareholders** - The Fund will make regular quarterly distributions to shareholders of all or a portion of any dividends or investment income it earns on investments. In addition, the Fund will make regular distributions to the shareholders of all or a portion of capital gains distributed to the Fund by Investment Funds and capital gains earned by the Fund from the disposition of Investment Funds, together with any dividends or interest income earned from such investments. A portion of any dividend may be a return of capital or from other capital sources.

**Allocation** - Investment income earned, realized capital gains and losses, and unrealized appreciation and depreciation for the Fund are allocated daily to each class of shares based upon its proportionate share of total net assets of the Fund. Class-specific expenses are charged directly to the class incurring the expense. Common expenses, which are not attributable to a specific class, are allocated daily to each class of shares based upon their proportionate share of total net assets of the Fund.

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Notes to Financial Statements

March 31, 2019 (continued)

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**U.S. Federal Income Tax Information** - The Fund intends to qualify each year as a “regulated investment company” under the Internal Revenue Code of 1986, as amended. By so qualifying, the Fund will not be subject to federal income taxes to the extent that it distributes substantially all of its net investment income and any realized capital gains. This policy may cause multiple distributions during the course of the year, which are recorded on the ex-dividend date.

As of and during the year ended March 31, 2019, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the period, the Fund did not incur any interest or penalties. The Fund is not subject to examination by the U.S. federal tax authorities for the fiscal years before 2013. The Fund identifies its major tax jurisdiction as U.S. Federal.

Net capital losses incurred may be carried forward for an unlimited time period and retain their tax character as either short-term or long-term capital losses.

Dividends from net investment income and distributions from realized gains are determined in accordance with federal income tax regulations, which may differ from net investment income and realized gains recognized for financial reporting purposes. Accordingly, the character of distributions and composition of net assets for tax purposes may differ from those reflected in the accompanying financial statements. To the extent these differences are permanent, such amounts are reclassified within the capital accounts at fiscal year-end based on the tax treatment; temporary differences do not require such reclassification. As of March 31, 2019, permanent differences identified and reclassified among the components of net assets were to increase undistributed net investment income by approximately \$39,172,000, to decrease accumulated net realized gain by approximately \$3,868,000 and to decrease paid-in-capital by approximately \$35,304,000.

For the year ended March 31, 2019, tax character of the distribution paid by the Fund was approximately \$49,869,000 of ordinary income dividends, approximately \$19,142,000 of long-term capital gains and approximately \$39,248,000. For the year ended March 31, 2018, tax character of the distribution paid by the Fund were approximately \$24,121,000 of ordinary income dividends, approximately \$14,612,000 of long-term capital gains and approximately \$41,579,000 of return of capital. Distribution from net investment income and short-term capital gains are treated as ordinary income for federal income tax purposes.

As of March 31, 2019, the Fund had no capital loss carryovers available to offset possible future capital gains.

Under federal tax law, capital and qualified ordinary losses realized after October 31 and December 31, respectively, may be deferred and treated as having arisen on the first day of the following fiscal year. For the fiscal year ended March 31, 2019, the Fund elected to defer approximately \$1,312,000 in qualified late year losses.

As of March 31, 2019, the gross unrealized appreciation and depreciation and net unrealized appreciation on a tax basis were approximately \$220,421,000, (\$19,807,000) and \$200,614,000, respectively. The aggregate cost of securities for federal income tax purposes at March 31, 2019, was approximately \$2,577,010,000.

**Guarantees and Indemnifications** – In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown and this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund would expect the risk of loss to be remote.

**Use of Estimates** - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

### NOTE 3. FEES AND OTHER TRANSACTIONSWITH AFFILIATES

Pursuant to an Investment Management Agreement, Versus Capital Advisors LLC (the “Adviser”) serves as the investment adviser to the Fund. For its services under this agreement, the Fund pays the Adviser an Investment Management Fee at an annual rate of 0.95% of the Fund's NAV, which accrues daily based on the average daily net assets of the Fund and is paid quarterly. The Fund accrued fees to the Adviser of approximately \$23,494,000 for the year ended March 31, 2019.

The Adviser engaged Callan Associates Inc. (the “Sub-Adviser”) to act as the Fund's investment Sub-Adviser for support in the selection of Investment Managers. Fees to Callan are based on the average daily net assets of the Fund at an annual rate up to 0.10% and are paid by the Adviser from its Investment Management Fee. The Adviser, with the assistance of the Sub-Adviser, allocates the Fund's assets and, thereafter, evaluates regularly each Investment Manager to determine whether its investment program is consistent with the Fund's investment objective and whether its investment performance is satisfactory. The Adviser may, at its discretion, reallocate the Fund's assets among the Investment Managers. The Adviser accrued fees of approximately \$1,456,000 to the Sub-Adviser for the year ended March 31, 2019.

Foreside Funds Distributors LLC, (the “Distributor”) serves as the Fund's statutory underwriter and facilitates the distribution of Shares.



# **VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**

## **Notes to Financial Statements**

**March 31, 2019 (continued)**

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The Fund has retained the services of the following Investment Managers: Security Capital Research & Management, Inc. and Principal Real Estate Investors, LLC. The Investment Managers sub-advise a specified portion of the Fund's assets to be invested in domestic and international publicly traded real estate securities, such as common and preferred stock of publicly listed REITs, commercial mortgage-backed securities, commercial real estate collateralized debt obligations, and senior unsecured debt of REITs (referred to hereafter as the "Real Estate Securities"). Fees to investment managers are based on the average net assets managed by the Investment Manager at an annual rate up to 1.0% and are paid by the Fund. The Fund accrued fees to the Investment Managers of approximately \$2,311,000 for the year ended March 31, 2019 which is approximately 0.04% for Security Capital and 0.05% for Principal of the total assets of the Fund for the year ended March 31, 2019.

The Fund pays each Independent Director a fee per annum. In addition, the Fund reimburses each of the Independent Directors for travel and other expenses incurred in connection with attendance at meetings. Each of the Independent Directors is a member of the Audit Committee and the Nominating Committee. The Chairman of the Audit Committee receives an additional fee per annum. Other members of the Board and executive officers of the Fund receive no compensation.

### **NOTE 4. INVESTMENT TRANSACTIONS**

For the year ended March 31, 2019, the purchases and sales of investment securities, excluding short-term investments and U.S. Government securities were approximately \$800,388,000 and \$321,413,000, respectively.

### **NOTE 5. REPURCHASE OFFERS**

The Fund has a fundamental policy that it will make quarterly Repurchase Offers for no less than 5% of its shares outstanding at NAV, unless suspended or postponed in accordance with regulatory requirements (as discussed below), and that each quarterly repurchase pricing shall occur no later than the 14th day after the Repurchase Request Deadline (defined below), or the next Business Day if the 14th is not a Business Day (each a "Repurchase Pricing Date"). In general, the Repurchase Pricing Date occurs on the Repurchase Payment Deadline and settlement occurs 3 days later. Shares will be repurchased at the NAV per Share determined as of the close of regular trading on the NYSE on the Repurchase Pricing Date. Repurchase tenders made during the year ended March 31, 2019 cumulatively were approximately \$203,906,000.

Shareholders will be notified in writing about each quarterly Repurchase Offer, how they may request that the Fund repurchase their shares and the Repurchase Request Deadline, which is the date the Repurchase Offer ends. The Repurchase Request Deadline will be determined by the Board. The time between the notification to shareholders and the Repurchase Request Deadline may vary from no more than 42 days to no less than 21 days. The repurchase price of the shares will be the NAV as of the close of regular trading on the NYSE on the Repurchase Pricing Date. Payment pursuant to the repurchase will be made to the shareholders within seven days of the Repurchase Pricing Date (the "Repurchase Payment Deadline"). Certain authorized institutions, including custodians and clearing platforms, may set times prior to the Repurchase Request Deadline by which they must receive all documentation they may require relating to repurchase requests and may require additional information. In addition, certain clearing houses may allow / require you to submit your tender request only on the Repurchase Request Deadline.

Shares tendered for repurchase by shareholders prior to any Repurchase Request Deadline will be repurchased subject to the aggregate repurchase amounts established for that Repurchase Request Deadline. Repurchase proceeds will be paid to shareholders prior to the Repurchase Payment Deadline.

The Board, or a committee thereof, in its sole discretion, will determine the number of shares that the Fund will offer to repurchase (the "Repurchase Offer Amount") for a given Repurchase Request Deadline. The Repurchase Offer Amount, however, will be no less than 5% of the total number of shares outstanding on the Repurchase Request Deadline.

If Share repurchase requests exceed the number of Shares in the Fund's Repurchase Offer, the Fund may, in its sole discretion (i) repurchase the tendered Shares on a pro rata basis or (ii) increase the number of Shares to be repurchased by up to 2.0% of the Fund's outstanding Shares. As a result, tendering shareholders may not have all of their tendered Shares repurchased by the Fund.

A shareholder who tenders some, but not all, of such shareholder's Shares for repurchase as of a Repurchase Pricing Date may be required to maintain a minimum aggregate NAV of shares. The Fund reserves the right to reduce the amount to be repurchased from a shareholder as of a Repurchase Pricing Date so that the required minimum aggregate NAV of shares is maintained. Upon request by a shareholder, the Board may permit a shareholder to cancel a shareholder's tender of Shares, if such cancellation is determined by the Board to be in the best interest of the Fund.

An F-shareholder who tendered for repurchase such shareholder's Shares during the first year following such shareholder's initial capital contribution was subject to a fee of 2.00% of the value of the F-Shares repurchased by the Fund, payable to the Fund (an "Early Withdrawal Charge").

# VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC

## Notes to Financial Statements

March 31, 2019 (continued)

### NOTE 6. LINE OF CREDIT

Effective April 5, 2018, the Fund's line of credit with ZB, N.A. dba Vectra Bank Colorado ("Vectra") expired and the Fund opened a new secured \$130,000,000 line of credit with a \$20,000,000 accordion feature for the purpose of liquidity subject to the limitations of the 1940 Act for borrowings (the "LOC"). Borrowings, if any, under the Vectra arrangement bear interest at the one-month LIBOR/Swap Rate plus 150 basis points at the time of borrowing. In addition, the Fund incurs a Non-Utilization Fee equal to 38 basis points on the portion of the LOC not being used. The Fund incurred Non-Utilization Fees of approximately \$488,000 during the year ended March 31, 2019. As collateral for the lines of credit, the Fund would grant Vectra a first position security interest in and lien on securities held by the Fund in the collateral account. As of March 31, 2019, the Fund had not utilized this line of credit.

### NOTE 7. RESTRICTED SECURITIES

Restricted securities include securities that have not been registered under the Securities Act of 1933, as amended, and securities that are subject to restrictions on resale. The Fund may invest in restricted securities that are consistent with a Fund's investment objective and investment strategies. Investments in restricted securities are valued at fair value as determined in good faith in accordance with procedures adopted by the Board. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material. Each of the following securities can suspend redemptions if its respective Board deems it in the best interest of its shareholders. This and other important information are described in the Fund's Prospectus dated February 28, 2019.

As of March 31, 2019, the Fund invested in the following restricted securities:

Security	Acquisition Date (b)	Shares	Cost (\$1,000s)	Value (\$1,000s)	Unfunded Commitments (\$1,000s)	% of Net Assets	Redemption Notice (c)
AEW Core Property Trust (U.S.), Inc.,							
Class A Shares	7/2/2013	132,272	\$ 124,788	\$ 135,651	\$ —	4.9%	45 Days
Class B Shares	7/2/2013	47,116	44,462	48,320	—	1.7%	45 Days
AEW Value Investors US LP	8/17/2017	24,886,932	25,000	24,816	25,000	0.9%	(e)
Barings Core Property Funds LP	9/30/13	562,619	66,625	74,626	—	2.7%	30 Days
Barings European Core Property Fund LP	6/13/2017	63,921	71,985	72,724	—	2.6%	60 Days (f)
CBRE US Core Partners REIT Operating LP	3/29/2018	74,093,483	103,149	105,768	6,851	3.8%	60 Days
Clarion Gables Multifamily Trust LP	3/4/2019	39,221	50,000	50,020	—	1.8%	(g)
Clarion Lion Properties Fund LLC	7/1/2013	158,382	211,180	240,380	—	8.6%	90 Days
Harrison Street Core Property Fund	8/13/2014	86,966	113,000	119,351	—	4.3%	45 Days
Heitman America Real Estate LP	12/2/2014	172,306	200,000	214,284	—	7.7%	90 Days
Heitman Core Real Estate Debt Income Trust LP	4/1/2017	107,563	110,000	110,393	—	3.9%	90 Days
Invesco Core Real Estate USA	12/31/2013	600	99,500	112,237	15,000	4.0%	45 Days
Invesco Real Estate Asia Fund (Cayman)							
Unit Trust - Class A Units	9/30/2014	799,259	98,426	101,891	10,000	3.6%	45 Days
LaSalle Property Fund LP							
Class A Shares	8/31/2015	90,819	139,284	149,882	193	5.3%	45 Days
Class B Shares	8/31/2015	35,225	54,023	58,133	—	2.1%	45 Days
Mesa Core Lending Fund LP, Class A Shares	7/15/2015	62,622	66,079	66,374	13,921	2.4%	30 Days
Met Life Commercial Mortgage Income Fund	10/1/2015	49,078	50,000	50,395	—	1.8%	90 Days
RREEF America REIT II, LP	9/30/2013	1,729,434	194,320	215,781	5,000	7.7%	45 Days
Trumbull Property Fund, LP	9/30/2013	4,514	48,397	50,549	—	1.8%	60 Days (h)
Trumbull Property Income Fund, LP	4/1/2016	9,001	107,500	113,418	—	4.0%	60 Days
US Government Building, LP	5/1/2014	(d)	93,000	101,598	—	3.6%	60 Days
Total			<u>\$ 2,070,718</u>	<u>\$ 2,216,591</u>	<u>\$ 75,965</u>	<u>79.2%</u>	

- The investment funds are open-ended Investment Funds organized to serve as a collective investment vehicle through which eligible investors may invest in a professionally managed real estate portfolio of equity and debt investments consisting of multi-family, industrial, retail and office properties in targeted metropolitan areas primarily within the continental United States. The principal investment objective of the Investment Funds is to generate attractive, predictable investment returns from a target portfolio of low-risk equity investments in income-producing real estate while maximizing the total return to shareholders through cash dividends and appreciation in the value of shares.
- Represents initial acquisition date as shares are purchased at various dates through the current period.
- The investment funds provide for a quarterly redemption subject to the notice period listed.
- Partnership is not designated in units. The Fund owns approximately 5.7% at March 31, 2019.
- Shares are subject to an initial lockup period ending 12/31/2020.
- As of March 31, 2019, the Fund had a redemption queue, the Investment Manager expects to meet all redemptions over the next 1-2 quarters.
- Shares are subject to an initial lockup period ending March 1 2021; with redemption notification period of 90 days
- As of March 31, 2019, the Fund had a redemption queue, the Investment Manager expects to meet all redemptions over the next 4-6 quarters.

# **VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**

## **Notes to Financial Statements**

**March 31, 2019 (continued)**

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### **NOTE 8. REGULATORY UPDATES**

In August 2018, the FASB issued Accounting Standards Update No. 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”) which is effective for periods starting after December 15, 2019. The primary focus of the update is to improve the effectiveness of ASC 820's disclosure in the notes to financial statements. The Fund has early adopted these changes and there was no significant impact on the financial statements and accompanying notes.

Effective November 15, 2018, the SEC amended existing rules intended to modernize reporting and disclosure of information. These amendments relate to Regulation S-X which sets forth the form and content of financial statements. The amendment requires collapsing the components of distributable earnings on the Statement of Assets and Liabilities and collapsing the distributions paid to shareholders on the Statements of Changes in Net Assets. The Fund has adopted these amendments and there was no significant impact on the financial statements and accompanying notes.

### **NOTE 9. SUBSEQUENT EVENTS**

On April 17, 2019, the Fund’s line of credit with ZB, N.A. dba Vectra Bank Colorado expired and the Fund opened a new \$150 million facility with a \$20 million accordion feature (see Note 6). Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there are no additional subsequent events to report.

## **VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**

### **Additional Information**

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#### **SECURITY PROXY VOTING**

The Fund's policy is to vote its proxies in accordance with the recommendations of management. A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling (866) 280-1952 and on the SEC's website at <http://www.sec.gov>.

#### **PORTFOLIO HOLDINGS**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q within 60 days after the end of the period. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov>. Form N-Q is being rescinded. Once Form N-Q is rescinded, disclosure of the Fund's complete holdings will be required to be made monthly on Form N-PORT, with every third month made available to the public by the Commission 60 days after the end of the Fund's fiscal quarter.

#### **DIVIDEND REINVESTMENT PLAN**

All distributions paid by the Fund will be reinvested in additional Shares of the Fund unless a shareholder "opts out" (elects not to reinvest in Shares), pursuant to the Fund's Dividend Reinvestment Policy. A shareholder may elect initially not to reinvest by indicating that choice on a shareholder certification. Thereafter, a shareholder is free to change his, her or its election on a quarterly basis by contacting BNY Mellon (or, alternatively, by contacting the Selling Agent that sold such shareholder his, her or its Shares, who will inform the Fund). Shares purchased by reinvestment will be issued at their NAV on the ex-dividend date. There is no sales load or other charge for reinvestment. The Fund reserves the right to suspend or limit at any time the ability of shareholders to reinvest distributions. The automatic reinvestment of dividends and capital gain distributions does not relieve participants of any U.S. federal income tax that may be payable (or required to be withheld) on such distributions.

#### **APPROVAL OF INVESTMENT ADVISORY AGREEMENT**

##### **Report in Connection with Approval of Amended Subadvisory Agreements with Security Capital Research & Management Incorporated**

On December 13, 2018, the Board of Directors of Versus Capital Multi-Manager Real Estate Income Fund LLC (the "Fund") approved an amendment to the Investment Sub-Advisory Agreement dated December 19, 2011 ("Subadvisory Agreement") between Versus Capital Advisors, LLC (the "Adviser") and Security Capital Research & Management Incorporated (the "Sub-Adviser"), which would result in a reduction of the subadvisory fee rate at certain asset levels for assets managed in the multi-tranche U.S. real estate portfolio.

As part of the review process, the Independent Directors (those directors who are not interested persons as defined by the Investment Company Act of 1940) were represented by independent legal counsel and recommended approval of the amended fee schedule. The Board reviewed the proposed changes in the subadvisory fee schedule and considered the explanation provided by the Adviser that the reduction aligned the Fund's subadvisory fees with those charged by the Sub-Adviser to other of its clients. The Board considered the Adviser's representation that the changes in the subadvisory fee schedule would not reduce the quality or quantity of the services provided by the Sub-Adviser to the Fund and that the Sub-Adviser's obligations under the Subadvisory Agreement would remain the same in all material respects. The Board also considered that the Adviser was not proposing any material changes to the terms of the Subadvisory Agreement other than to the fee schedule, and that the reduced fee schedule would benefit the shareholders.

The Board considered that it had last approved the Subadvisory Agreement for the Fund during the annual contract renewal process at the Board of Directors' May 2018 meeting. The Board noted that as a part of the annual contract renewal process, it had considered the nature, quality and extent of the services provided by the Sub-Adviser under the Subadvisory Agreement as well as the competitiveness of the fee and had concluded, based upon the information provided, that the terms of the Subadvisory Agreement were reasonable and that approval of the Subadvisory Agreement was in the best interests of the Fund.

Based upon all of the information considered, the Board concluded that it was in the best interests of the Fund to approve the amended Subadvisory Agreement at this time.

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Additional Information (continued)**

**DIRECTORS AND OFFICERS**

The Board has overall responsibility to manage and control the business affairs of the Fund, including the complete and exclusive authority to oversee and to establish policies regarding the management, conduct and operation of the Fund's business. The Board exercises the same powers, authority and responsibilities on behalf of the Fund as are customarily exercised by the board of directors of a registered investment company organized as a corporation. Information pertaining to the Board is set forth below.

Name, Address, and Age <sup>(1)</sup>	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(2)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Public Company Directorships Held by Director
<b>INDEPENDENT DIRECTORS (3)</b>					
Jeffrey A. Jones; Age 60	Independent Director	Since inception	Principal of SmithJones, (Real Estate), 8/2008 to present.	2	0
Richard J. McCready; Age 61	Independent Director	Since inception	President of The Davis Companies, 2014 to present;	2	0
Paul E. Sveen; Age 57	Independent Director	Since inception	Chief Financial Officer of Paypal's merchant lending platform, 2018 to present. Chief Financial Officer of Swift Financial 2016 to 2018; Managing Partner of Pantelan Real Estate Services LLC, 2013 to 2016;	2	0
Robert F. Doherty; Age 54	Independent Director	Since inception	Chief Financial Officer of Ensyn Corporation (2013-2018), Partner of Renova Capital Partners, 2010 to present.	2	0
<b>INTERESTED DIRECTORS (4)</b>					
William R. Fuhs, Jr.; Age 50	Chairman of the Board; President	Since inception	President of the Adviser, 2010 to present and Chief Financial Officer of the Adviser, 2010 to 1/2016; President of Versus Capital Real Assets Fund from 2017 to present.	2	0
Casey Frazier; Age 41	Director; Chief Investment Officer	Since inception	Chief Investment Officer of the Adviser, 2011 to present; Chief Investment Officer of Versus Capital Real Assets Fund LLC, 2017 to present.	2	0
Mark Quam; Age 49	Chief Executive Officer	Since inception	Chief Executive Officer of the Adviser, 2010 to present; Chief Executive Officer of Versus Capital Real Assets Fund LLC, 2017 to present.	2	0

<sup>(1)</sup> The address of each member of the Board is: c/o Versus Capital Multi-Manager Real Estate Income Fund LLC, 5555 DTC Parkway, Suite 330, Greenwood Village, CO. 80111.

<sup>(2)</sup> Each Director will serve for the duration of the Fund, or until his death, resignation, termination, removal or retirement.

<sup>(3)</sup> "Independent Directors" means members of the Board who are not "interested persons" of the Fund, the Adviser, Callan, the Distributor, or any affiliate of the Fund, the Adviser, Callan, as defined by the Investment Company Act ("Independent Directors").

<sup>(4)</sup> "Interested Directors" means members of the Board who are "interested person," as defined in the Investment Company Act, because of such person's affiliation with the Fund ("Interested Directors").

**VERSUS CAPITAL MULTI-MANAGER REAL ESTATE INCOME FUND LLC**  
**Additional Information (continued)**

Name, Address and Age (1)	Position(s) Held with Fund	Term of Office and Length of Time Served (2)	Principal Occupation(s) During Past 5 Years
Mark D. Quam; Age 49	Chief Executive Officer	Since inception	Chief Executive Officer of the Adviser, 2010 to present.
William R. Fuhs, Jr.; Age 50	President	Since inception	President of the Adviser, 2010 to present; Chief Financial Officer of the Adviser 2010 to 2016
Casey Frazier; Age 41	Chief Investment Officer	Since inception	Chief Investment Officer of the Adviser 2011 to present.
John Gordon; Age 56	Chief Financial Officer and Treasurer	Since inception	Chief Financial Officer of Adviser since 2016 and Treasurer since inception. Chief Compliance Officer of the Adviser and the Fund, inception to October 2018.
Steve Andersen; Age 43	Chief Compliance Officer and Secretary	October 2018	Chief Compliance Officer of the Adviser and the Fund since October 2018. Secretary of the Fund since December 2018. VP Compliance at Janus Henderson Investors August 2017 to August 2018. AVP Compliance at Janus Capital Group January 2016 to August 2017. Senior Compliance Manager at Janus Capital Group August 2011 to January 2016.

<sup>(1)</sup> The address of each Officer of the Fund is: c/o Versus Capital Multi-Manager Real Estate Income Fund LLC, 5555 DTC Parkway, Suite 330, Greenwood Village, CO. 80111.

<sup>(2)</sup> Each Officer will serve for the duration of the Fund, or until his death, resignation, termination, removal or retirement.