



VERSUS CAPITAL REAL ASSETS FUND LLC

**Semi-Annual Report
September 30, 2019**

VERSUS CAPITAL ADVISORS LLC

This report is for shareholders of Versus Capital Real Assets 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/investment-funds/vcrrx>), 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.

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 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 REAL ASSETS FUND LLC
Portfolio of Investments – September 30, 2019 (Unaudited)

| <u>Shares</u> | | <u>Value</u> | <u>Shares</u> | <u>Value</u> |
|--|---|--------------------|---|--|
| Private Investment Funds(a) - 57.2% | | | Building Production-Wood - (continued) | |
| | Diversified - 57.2% | | 4,852 | Universal Forest Products, Inc..... |
| — | AMP Capital Diversified Infrastructure Trust(b) .. | \$ 24,307,265 | | <u>\$ 193,498</u> |
| 24,396,573 | AMP Capital Infrastructure Debt Fund III | 25,430,500 | | 1,765,362 |
| 8,957 | Blackstone Infrastructure Partners LP | 8,842,826 | 6,424,430 | Building-Heavy Construction - 0.3% |
| | BTG Pactual Open Ended Core US Timberland | | 24,300 | China Tower Corp., Ltd. 144A |
| 136,065 | Fund LP(c)(d) | 157,412,355 | | Vinci SA |
| — | Ceres Farmland Holdings LP(e)(f) | 105,834,000 | | <u>1,459,036</u> |
| 24,112,380 | Global Dividend Infrastructure Fund | 38,661,790 | | 2,617,335 |
| 21,634 | Hancock Timberland and Farmland Fund LP(e) .. | 22,179,295 | 22,747 | <u>4,076,371</u> |
| | Harrison Street Social Infrastructure Fund | | 147,700 | Chemicals-Diversified - 0.2% |
| 115,770 | LP(d)(g) | 124,398,096 | 29,200 | FMC Corp. |
| — | IFM Global Infrastructure Fund (Offshore) LP(h). | 27,276,750 | | Israel Chemicals, Ltd..... |
| — | IFM US Infrastructure Debt Fund, LP(i) | 9,830,800 | | Sociedad Quimica Y Minera De Chile SA |
| 60,903,438 | IIF Hedged LP | 58,438,925 | | <u>1,994,457</u> |
| 34,599 | Jamestown Timberland Fund(d)(j) | 35,561,884 | 110,689 | 739,977 |
| 80,000,000 | RMS Evergreen Forestland Fund LP(d) | 81,111,200 | 7,788 | Sociedad Quimica Y Minera De Chile SA |
| 5,054 | UBS AgriVest Farmland Fund, Inc. | 10,062,715 | 36,773 | <u>811,468</u> |
| 67,076 | US Core Farmland Fund LP(d)(j) | 80,997,743 | | <u>3,545,902</u> |
| | Versus Capital Real Assets Sub-REIT II | | | Containers-Paper/Plastic - 0.3% |
| — | LLC(d)(k)(l)(m) | 1,331,554 | 14,700 | Graphic Packaging Holding Co. |
| | Versus Capital Real Assets Sub-REIT | | 359,919 | Packaging Corp. of America |
| — | LLC(d)(k)(l)(m) | 32,411,610 | | Sonoco Products Co. |
| | Total Private Investment Funds | <u>844,089,308</u> | | <u>2,140,556</u> |
| | (Cost \$801,019,826) | | | <u>4,599,526</u> |
| Common Stocks - 19.4% | | | | Diversified - 0.8% |
| | Agricultural Chemicals - 1.0% | | 112,180 | Crown Castle International Corp., REIT |
| | CF Industries Holdings, Inc. | 5,648,356 | 31,718 | Weyerhaeuser Co., REIT |
| 114,804 | Mosaic Co. | 1,599,943 | | <u>2,043,447</u> |
| 78,046 | Nutrien, Ltd. | 4,997,837 | | <u>9,969,757</u> |
| 100,324 | Nutrien, Ltd. | 1,535,207 | | <u>12,013,204</u> |
| 30,778 | Yara International ASA | 1,265,324 | | Electric-Distribution - 0.5% |
| 29,381 | | <u>15,046,667</u> | | Hydro One, Ltd., 144A |
| | Agricultural Operations - 1.1% | | | Sempra Energy |
| 153,666 | Archer-Daniels-Midland Co. | 6,311,063 | 127,600 | <u>2,073,660</u> |
| 38,399 | Bunge, Ltd. | 2,174,151 | | 4,681,894 |
| 46,776 | Genus, PLC | 1,605,766 | | <u>6,755,554</u> |
| 2,615,200 | Golden Agri-Resources, Ltd. | 425,728 | 168,800 | Electric-Generation - 0.2% |
| 87,700 | Hokuto Corp. | 1,609,219 | | Engie SA |
| 682,400 | IOI Corp. Bhd | 722,004 | | <u>2,756,084</u> |
| 139,600 | Kuala Lumpur Kepong Bhd | 769,517 | | Electric-Integrated - 4.9% |
| 18,427 | Limoneira Co. | 338,320 | 127,600 | Ameren Corp. |
| 824,300 | Sime Darby Plantation Bhd | 931,201 | 118,600 | American Electric Power Co., Inc. |
| 231,300 | SLC Agricola SA | 996,467 | 210,700 | Chubu Electric Power Co., Inc. |
| | | <u>15,883,436</u> | 255,067 | CLP Holdings, Ltd. |
| | Airport Development/Maintenance - 0.6% | | 79,951 | CMS Energy Corp. |
| 677,741 | Auckland International Airport, Ltd. | 3,883,282 | 260,709 | CPFL Energia SA |
| 14,000 | Flughafen Zurich AG | 2,592,255 | 520,100 | Enel SPA |
| 10,900 | Grupo Aeroportuario Del Sureste SAB De CV. | 1,662,250 | 63,300 | Entergy Corp. |
| | | <u>8,137,787</u> | 145,048 | FirstEnergy Corp. |
| | Building & Construction-Miscellaneous - 0.2% | | 60,994 | NextEra Energy, Inc. |
| 83,697 | Ferrovial SA | 2,418,398 | 83,300 | Xcel Energy, Inc. |
| 10,701 | Louisiana-Pacific Corp. | 263,031 | | <u>5,405,337</u> |
| 7,450 | Simpson Manufacturing Co., Inc. | 516,806 | | <u>72,151,215</u> |
| | | <u>3,198,235</u> | | Electric-Transmission - 0.2% |
| | Building Production-Wood - 0.1% | | 131,500 | Red Electrica Corp. SA |
| 28,910 | Masco Corp. | 1,204,969 | | <u>2,670,935</u> |
| 12,557 | Stella-Jones, Inc. | 366,895 | | Energy-Alternate Sources - 0.0% |
| | | | | Sao Martinho SA |
| | | | | <u>677,770</u> |
| | | | 51,159 | Fisheries - 0.3% |
| | | | 5,057 | Austevoll Seafood ASA |
| | | | 124,789 | Bakkafrost |
| | | | 10,900 | Leroy Seafood Group ASA |
| | | | 49,486 | Maruha Nichiro Corp. |
| | | | 20,514 | Mowi ASA |
| | | | 177,186 | Salmar ASA |
| | | | | Tassal Group, Ltd. |
| | | | | <u>485,011</u> |
| | | | | <u>298,496</u> |
| | | | | <u>757,980</u> |
| | | | | <u>274,604</u> |
| | | | | <u>1,141,736</u> |
| | | | | <u>899,692</u> |
| | | | | <u>511,853</u> |
| | | | | <u>4,369,372</u> |

See accompanying notes to portfolio of investments.

VERSUS CAPITAL REAL ASSETS FUND LLC
Portfolio of Investments – September 30, 2019 (Unaudited) (continued)

| <u>Shares</u> | | <u>Value</u> | <u>Shares</u> | | <u>Value</u> |
|---------------|--|--------------|------------------------------|---|--------------|
| | Food-Confectionery - 0.0% | | | Paper & Related Products - (continued) | |
| 3,900 | Hershey Co. | \$ 604,461 | 18,270 | UPM-Kymmene OYJ | \$ 540,053 |
| | Food-Dairy Products - 0.1% | | | | 3,974,126 |
| 12,299 | Danone SA | 1,083,420 | | Pipelines - 2.0% | |
| 12,900 | Megmilk Snow Brand Co., Ltd. | 310,316 | 41,300 | Cheniere Energy, Inc. (m) | 2,604,378 |
| | | 1,393,736 | 207,000 | Inter Pipeline, Ltd. | 3,632,675 |
| | Food-Flour & Grain - 0.0% | | 330,400 | Kinder Morgan, Inc. | 6,809,544 |
| 32,900 | Nisshin Seifun Group, Inc. | 607,946 | 109,800 | Pembina Pipeline Corp. | 4,070,105 |
| | Food-Meat Products - 0.4% | | 154,600 | TC Energy Corp. | 8,005,102 |
| 14,700 | NH Foods, Ltd. | 590,719 | 199,400 | Williams Cos, Inc. | 4,797,564 |
| 30,782 | Tyson Foods, Inc. | 2,651,561 | | | 29,919,368 |
| 2,694,000 | WH Group, Ltd. 144A | 2,412,937 | 230,200 | Public Thoroughfares - 0.8% | |
| | | 5,655,217 | 485,900 | Atlantia SPA | 5,567,635 |
| | Food-Miscellaneous/Diversified - 0.9% | | 1,260,500 | Ecorodovias Infraestrutura E Logistica SA | 1,658,278 |
| 14,044 | General Mills, Inc. | 774,105 | | Jiangsu Expressway Co., Ltd. | 1,601,819 |
| 22,717 | Ingredion, Inc. | 1,856,888 | 315,724 | Promotora Y Operadora De Infraestructura SAB De CV | 2,823,341 |
| 4,400 | Kerry Group, PLC | 514,589 | | | 11,651,073 |
| 18,849 | Kraft Heinz Co. | 526,547 | | Satellite Telecom - 0.1% | |
| 3,200 | Mccormick & Co., Inc. | 500,160 | 111,588 | SES SA | 2,034,191 |
| 27,601 | Mondelez International, Inc. | 1,526,887 | | Transport-Rail - 1.2% | |
| 52,805 | Nestle SA | 5,728,897 | 17,400 | Canadian Pacific Railway, Ltd. | 3,866,783 |
| 546,947 | Wilmar International, Ltd. | 1,476,043 | 47,500 | CSX Corp. | 3,290,325 |
| | | 12,904,116 | 40,900 | East Japan Railway Co. | 3,899,921 |
| | Food-Wholesale/Distribution - 0.1% | | 1,014,400 | Rumo SA (m) | 5,996,140 |
| 10,371 | Sysco Corp. | 823,457 | | | 17,053,169 |
| | Forestry - 0.7% | | | Water - 0.4% | |
| 216,245 | Interfor Corp. (m) | 2,285,112 | 138,191 | Aqua America, Inc. | 6,195,103 |
| 92,130 | Svenska Cellulosa AB SCA | 821,529 | | Total Common Stocks | 286,726,705 |
| 184,259 | West Fraser Timber Co., Ltd. | 7,371,195 | | (Cost \$264,846,793) | |
| | | 10,477,836 | | Real Estate Investment Trust - 2.8% | |
| | Gas-Distribution - 1.1% | | | Agricultural Operations - 0.1% | |
| 826,906 | China Gas Holdings, Ltd. | 3,196,761 | 126,000 | Farmland Partners, Inc., REIT | 841,680 |
| 686,200 | National Grid, PLC | 7,440,703 | | Public Thoroughfares - 0.6% | |
| 105,660 | NiSource, Inc. | 3,161,347 | 901,886 | Transurban Group | 8,942,221 |
| 126,500 | Tokyo Gas Co., Ltd. | 3,187,507 | | REITS-Diversified - 2.1% | |
| | | 16,986,318 | 43,800 | American Tower Corp., REIT | 9,685,494 |
| | Machinery-Farm - 0.3% | | 271,485 | CatchMark Timber Trust, Inc., REIT | 2,896,745 |
| 42,230 | AG Growth International, Inc. | 1,419,089 | 49,800 | Gladstone Land Corp., REIT | 592,371 |
| 7,467 | AGCO Corp. | 565,252 | 228,652 | Potlatch Deltic Corp., REIT | 9,394,168 |
| 17,938 | Deere & Co. | 3,025,782 | 327,923 | Rayonier, Inc., REIT | 9,247,429 |
| | | 5,010,123 | | | 31,816,207 |
| | Medical-Drugs - 0.2% | | | Total Real Estate Investment Trust | 41,600,108 |
| 19,205 | Zoetis, Inc. | 2,392,751 | | (Cost \$37,024,358) | |
| | Non-hazardous Waste Disposal - 0.1% | | Par(n) | | |
| 1,797,000 | China Water Affairs Group, Ltd. | 1,396,294 | Corporate Debt - 2.9% | Pipelines - 2.6% | |
| | Paper & Related Products - 0.3% | | | Australia Government Bond, | |
| 60,350 | Cascades, Inc. | 527,496 | | 3.00%, 9/20/2025 | 120,456 |
| 30,985 | Holmen AB | 733,388 | 120,000 | EPIC Y-Grade Services LP, L + 5.50%, | |
| 19,404 | Mondi, PLC | 372,129 | 10,000,000 | 7.84%, 6/13/2025 | 9,712,500 |
| 53,900 | Nippon Paper Industries Co., Ltd. | 876,856 | | Paradigm midstream LLC, L + 5.25%, | |
| 108,400 | Oji Holdings Corp. | 505,282 | 9,562,500 | 5.25%, 9/5/2024 | 9,311,484 |
| 6,534 | Smurfit Kappa Group, PLC | 195,544 | | Seaport Financing LLC, L + 5.50%, | |
| 27,500 | Suzano SA | 223,378 | 9,925,000 | 5.50%, 10/31/2025 | 9,825,750 |
| | | | | Woodford Express LLC, | |

See accompanying notes to portfolio of investments.

VERSUS CAPITAL REAL ASSETS FUND LLC
Portfolio of Investments – September 30, 2019 (Unaudited) (continued)

| <u>Par</u> | <u>Value</u> | <u>Shares</u> | <u>Value</u> |
|---|-----------------------------------|---------------|--|
| | | | Short-Term Investments - 5.1% |
| 10,433,088 | \$ 9,848,835 <u>38,819,025</u> | 75,392,061 | Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio, 1.85% <u>\$75,392,061</u> (Cost \$75,392,061) |
| | | | Total Investments - 98.2% 1,450,316,570 (Cost \$1,381,450,950) |
| | | | Other Assets |
| | | | Net of Liabilities - 1.8% 26,370,200 |
| | | | Net Assets — 100.0% \$1,476,686,770 |
| | | | |
| | | (a) | Restricted Securities. |
| | | (b) | Partnership is not designated in units. The Fund owns approximately 1.6% of this Fund. |
| | | (c) | The Fund owns more than 25% of the Private Investment Fund, but has contractually limited its voting interests to less than 5% of total voting interests. |
| | | (d) | Affiliated issuer. |
| | | (e) | The Fund owns more than 5% of the Private Investment Fund, but has contractually limited its voting interests to less than 5% of total voting interests. |
| | | (f) | Partnership is not designated in units. The Fund owns approximately 13.1% of this Fund. |
| | | (g) | The Fund owns more than 50% of the Private Investment Fund, but has contractually limited its voting interests to less than 10% of total voting interests. |
| | | (h) | Partnership is not designated in units. The Fund owns approximately 0.1% of this Fund. |
| | | (i) | Partnership is not designated in units. The Fund owns approximately 3.6% of this Fund. |
| | | (j) | The Fund owns more than 50% of the Private Investment Fund, but has contractually limited its voting interests to less than 5% of total voting interests. |
| | | (k) | Investment is a wholly-owned and controlled subsidiary that is not designated in units. |
| | | (l) | Security value was determined by using significant unobservable inputs. |
| | | (m) | Non-income producing security. |
| | | (n) | Par values are designated in the local currency. |
| | | (o) | Interest is paid in-kind. |
| | | | |
| Portfolio Abbreviations: | | | |
| LP - Limited Partnership | | | |
| PLC - Public Limited Company | | | |
| REIT - Real Estate Investment Trust | | | |
| 144A - Rule 144A Security | | | |
| L - 30 Day London Inter-bank Offered Rate | | | |
| 3L - 3 Month London Inter-bank Offered Rate | | | |
| | | | |
| Foreign Currencies: | | | |
| AUD - Australian Dollar | | | |
| CAD - Canadian Dollar | | | |
| DKK - Danish Krone | | | |
| EUR - Euro | | | |
| GBP - United Kingdom Pound Sterling | | | |
| NZD - New Zealand Dollar | | | |
| SEK - Swedish Krona | | | |
| USD - United States Dollar | | | |

VERSUS CAPITAL REAL ASSETS FUND LLC
Portfolio of Investments – September 30, 2019 (Unaudited) (continued)

| Industry | % of Net Assets |
|---------------------------------------|-----------------|
| Diversified | 58.0% |
| Private Debt | 10.3% |
| Short-Term Investments | 5.1% |
| Electric-Integrated | 4.9% |
| Pipelines | 4.6% |
| REITS-Diversified | 2.2% |
| Public Thoroughfares..... | 1.4% |
| Transport - Rail..... | 1.2% |
| Agricultural Operations | 1.1% |
| Gas - Distribution | 1.1% |
| Agricultural Chemicals | 1.0% |
| All Other Industries | 7.3% |
| Other Assets net of Liabilities | 1.8% |
| Total | <u>100.0%</u> |

Forward foreign currency contracts as of September 30, 2019 were as follows:

| Currency Purchased | Currency Amount Purchased | Currency Sold | Currency Amount Sold | Counterparty | Settlement Date | Unrealized Appreciation | Unrealized Depreciation |
|--------------------|---------------------------|---------------|----------------------|---------------|-----------------|-------------------------|-------------------------|
| AUD | 82,664 | USD | 56,252 | HSBC Bank USA | 11/14/19 | \$ — | \$ 372 |
| AUD | 37,887 | USD | 26,000 | JP Morgan | 11/14/19 | — | 389 |
| CAD | 27,736 | USD | 21,100 | HSBC Bank USA | 11/14/19 | — | 150 |
| GBP | 53,887 | USD | 65,097 | HSBC Bank USA | 11/14/19 | 1,279 | — |
| NZD | 29,469 | USD | 19,000 | JP Morgan | 11/14/19 | — | 527 |
| USD | 115,085 | AUD | 169,121 | HSBC Bank USA | 11/14/19 | 762 | — |
| USD | 329,253 | CAD | 434,383 | HSBC Bank USA | 11/14/19 | 1,151 | — |
| USD | 250,714 | DKK | 1,658,096 | HSBC Bank USA | 11/14/19 | 7,777 | — |
| USD | 63,500 | EUR | 57,482 | HSBC Bank USA | 11/14/19 | 634 | — |
| USD | 2,117,590 | EUR | 1,875,754 | HSBC Bank USA | 1/15/20 | 71,471 | — |
| USD | 830,236 | GBP | 687,256 | HSBC Bank USA | 11/14/19 | — | 16,313 |
| USD | 195,021 | NZD | 301,323 | HSBC Bank USA | 11/14/19 | 6,321 | — |
| USD | 106,523 | SEK | 1,009,904 | HSBC Bank USA | 11/14/19 | 3,628 | — |
| Total | | | | | | <u>\$ 93,023</u> | <u>\$ 17,751</u> |

See accompanying notes to portfolio of investments.

VERSUS CAPITAL REAL ASSETS FUND LLC
Statement of Assets and Liabilities
September 30, 2019 (Unaudited)

ASSETS:

Investments:

| | |
|---|----------------------|
| Non-affiliated investment in securities at cost | \$ 902,456,426 |
| Non-affiliated net unrealized appreciation | <u>34,635,702</u> |
| Total non-affiliated investment in securities, at fair value | 937,092,128 |
| Affiliated investment in securities at cost | 478,994,524 |
| Affiliated net unrealized appreciation | <u>34,229,918</u> |
| Total affiliated investment in securities, at fair value | 513,224,442 |
| Cash | 2,890,926 |
| Foreign Currency (Cost \$712,720) | 696,253 |
| Unrealized appreciation on forward foreign currency exchange contracts ^(a) | 93,023 |
| Receivables for: | |
| Investments sold | 18,194,947 |
| Dividends and interest | 9,484,065 |
| Fund shares sold | 2,844,038 |
| Reclaims | <u>243,726</u> |
| Total receivables | 30,766,776 |
| Prepaid expenses | <u>108,800</u> |
| Total Assets | <u>1,484,872,348</u> |

LIABILITIES:

| | |
|---|------------------|
| Unrealized depreciation on forward foreign currency exchange contracts ^(a) | 17,751 |
| Payables for: | |
| Investments purchased | 3,386,031 |
| Dividends | 3,329 |
| Adviser fees, net | 4,136,946 |
| Administrative fees | 173,418 |
| Audit and tax fees | 44,932 |
| Custodian fees | 34,345 |
| Directors' fees | 14,243 |
| Legal fees | 255,742 |
| Transfer agent fees | 30,134 |
| Accrued expenses and other liabilities | <u>88,707</u> |
| Total Liabilities ^(b) | <u>8,185,578</u> |

NET ASSETS

\$ 1,476,686,770

NET ASSETS consist of:

| | |
|------------------------------------|-------------------|
| Paid-in capital | \$ 1,425,121,830 |
| Total distributable earnings | <u>51,564,940</u> |

TOTAL NET ASSETS

\$ 1,476,686,770

| | |
|---|-------------------|
| Net Assets | \$ 1,476,686,770 |
| Shares of beneficial interest outstanding (unlimited authorization) | <u>57,624,957</u> |
| Net asset value price per share (Net Assets/Shares Outstanding) | <u>\$ 25.63</u> |

(a) Primary risk exposure is foreign currency.

(b) See Note 7. Restricted Securities for detail of contingent liabilities related to unfunded commitments.

VERSUS CAPITAL REAL ASSETS FUND LLC
Statement of Operations
For the Six Months Ended September 30, 2019 (Unaudited)

| | |
|---|-----------------------------|
| Investment Income: | |
| Dividends from non-affiliated investments | \$ 15,219,491 |
| Dividends from affiliated investments | 5,243,288 |
| Interest income | 7,400,303 |
| Less: foreign taxes withheld | <u>(469,417)</u> |
| Total Investment Income..... | <u>27,393,665</u> |
| Expenses: | |
| Adviser fees (Note 3) | 8,015,685 |
| Administrative fees | 258,698 |
| Directors' fees (Note 3)..... | 77,500 |
| Transfer agent fees..... | 52,554 |
| Custodian fees..... | 55,839 |
| Registration fees..... | 103,172 |
| Audit and tax fees..... | 46,923 |
| Legal fees..... | 392,900 |
| Printing fees | 59,955 |
| Insurance fees | 37,539 |
| Interest fees | 49,034 |
| Other expenses | <u>85,584</u> |
| Total Expenses..... | <u>9,235,383</u> |
| Net Investment Income | <u>18,158,282</u> |
| Net Realized and Unrealized Gain (Loss) on Investments: | |
| Net realized gain on non-affiliated investments | 2,797,183 |
| Net realized loss on forward foreign currency transactions ^(a) | (15,501) |
| Net realized loss on foreign currency transactions | (4,676) |
| Net change in unrealized appreciation on non-affiliated investments and foreign currency..... | 10,730,543 |
| Net change in unrealized appreciation on affiliated investments | 14,252,602 |
| Net change in unrealized appreciation on forward foreign currency transactions ^(a) | <u>75,272</u> |
| Net Realized and Unrealized Gain on Investments | <u>27,835,423</u> |
| Net Increase in Net Assets Resulting from Operations..... | <u>\$ 45,993,705</u> |

(a) Primary risk exposure is foreign currency contracts.

VERSUS CAPITAL REAL ASSETS FUND LLC
Statement of Changes in Net Assets

| | Six Months Ended September 30, 2019 (Unaudited) | Year Ended March 31, 2019 |
|---|--|--|
| Increase in Net Assets: | | |
| From Operations: | | |
| Net investment income..... | \$ 18,158,282 | \$ 23,704,409 |
| Net realized gain (loss) on investment securities and foreign currency | 2,777,006 | (25,145,620) |
| Net change in unrealized appreciation on investments and foreign currency | <u>25,058,417</u> | <u>39,088,652</u> |
| Net Increase in Net Assets Resulting From Operations | <u>45,993,705</u> | <u>37,647,441</u> |
| Distributions to Shareholders from: | | |
| Net investment income and net realized gains | (20,935,288) | (12,494,219) |
| Return of capital | <u>(3,956,153)</u> | <u>(21,925,259)</u> |
| Total Distributions | <u>(24,891,441)</u> | <u>(34,419,478)</u> |
| Capital Share Transactions: | | |
| Shares issued..... | 193,533,456 | 564,235,091 |
| Reinvested dividends | 5,303,486 | 7,183,054 |
| Shares redeemed | <u>(67,444,048)</u> | <u>(53,188,005)</u> |
| Net Increase in Net Assets Resulting From Capital Share Transactions | <u>131,392,894</u> | <u>518,230,140</u> |
| Total Increase in Net Assets | <u>152,495,158</u> | <u>521,458,103</u> |
| Net Assets: | | |
| Beginning of Period | \$1,324,191,612 | \$ 802,733,509 |
| End of Period | <u>\$1,476,686,770</u> | <u>\$1,324,191,612</u> |
| Share Transactions: | | |
| Shares sold | 7,618,893 | 22,417,908 |
| Shares issued in reinvestment of dividends | 210,691 | 286,701 |
| Shares redeemed | <u>(2,671,096)</u> | <u>(2,122,765)</u> |
| Net Increase in Shares of Beneficial Interest Outstanding | <u>5,158,488</u> | <u>20,581,844</u> |

See accompanying notes to financial statements.

VERSUS CAPITAL REAL ASSETS FUND LLC
Statement of Cash Flows
For the Six Months Ended September 30, 2019

| | |
|--|----------------------|
| Cash Flows Used In Operating Activities: | |
| Net increase in net assets resulting from operations | \$ 45,993,705 |
| Adjustments to Reconcile Net Increase in Net Assets Resulting From Operations to Net Cash Used in Operating Activities: | |
| Purchases of investment securities | (262,074,905) |
| Proceeds from disposition of investment securities | 118,366,682 |
| Net proceeds from short-term investment securities | 24,898,416 |
| Change in net unrealized appreciation on securities and foreign currency | (25,058,417) |
| Net realized gain from investments sold | (2,797,183) |
| Net realized loss on foreign currency transactions | 20,177 |
| Net amortization/(accretion) of premium/(discount) | 317,828 |
| Increase in dividends and interest receivable | (5,741,745) |
| Increase in reclaim receivable | (61,261) |
| Decrease in prepaid expenses | 28,458 |
| Increase in Adviser fees payable, net | 535,619 |
| Increase in administration fees payable | 77,262 |
| Increase in audit and tax fees payable | 9,274 |
| Increase in legal fees payable | 173,189 |
| Increase in custodian fees payable | 17,522 |
| Decrease in registration fees payable | (14,570) |
| Decrease in printing fees payable | (7,502) |
| Increase in transfer agent fees payable | 15,602 |
| Decrease in accrued expenses and other liabilities | (30,180) |
| Net Cash Used in Operating Activities | <u>(105,332,029)</u> |
| Effect of exchange rate changes on foreign currency | (36,246) |
| Cash Flows From Financing Activities: | |
| Proceeds from shares sold | 194,072,757 |
| Payments of shares redeemed | (67,444,048) |
| Dividends paid (net of reinvestment of dividends) | (19,584,671) |
| Net Cash Provided by Financing Activities | <u>107,044,038</u> |
| Net Increase in Cash | <u>1,675,763</u> |
| Cash and Foreign Currency: | |
| Beginning of the period | <u>1,911,416</u> |
| End of the period | <u>\$ 3,587,179</u> |
| Supplemental Disclosure of Cash Flow Information: | |
| Reinvestment of dividends | <u>\$ 5,303,486</u> |

See accompanying notes to financial statements.

VERSUS CAPITAL REAL ASSETS FUND LLC
Financial Highlights

| | Six Months Ended September 30, 2019 (Unaudited) | Year Ended March 31, 2019 | Period From September 18, 2017 (inception) to March 31, 2018 |
|---|--|--|---|
| Net Asset Value, Beginning of Period | \$ 25.24 | \$ 25.18 | \$ 25.00 |
| Income from Investment Operations: | | | |
| Net investment income(a) | 0.33 | 0.58 | 0.17 |
| Net realized and unrealized gain | <u>0.51</u> | <u>0.26</u> | <u>0.11</u> |
| Total from investment operations | <u>0.84</u> | <u>0.84</u> | <u>0.28</u> |
| Less Distributions: | | | |
| From net investment income | (0.38) | (0.28) | (0.02) |
| From return of capital | <u>(0.07)</u> | <u>(0.50)</u> | <u>(0.08)</u> |
| Total Distributions | <u>(0.45)</u> | <u>(0.78)</u> | <u>(0.10)</u> |
| Net Asset Value, End of Period | <u>\$ 25.63</u> | <u>\$ 25.24</u> | <u>\$ 25.18</u> |
| Total Return Based on Net Asset Value | 3.49%(b) | 3.64% | 1.12%(b) |
| Ratios and Supplemental Data | | | |
| Net Assets at end of period (000's) | \$ 1,476,687 | \$ 1,324,192 | \$ 802,734 |
| Ratios of gross expenses to average net assets | 1.32%(c) | 1.33% | 1.36%(c) |
| Ratios of net expenses to average net assets | 1.32%(c) | 1.33% | 1.36%(c) |
| Ratios of net investment income to average net assets | 2.61%(c) | 2.18% | 1.26%(c) |
| Portfolio turnover rate | 10.24%(b) | 18.04% | 18.09%(b) |

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

(b) Not annualized.

(c) Annualized.

VERSUS CAPITAL REAL ASSETS FUND LLC

Notes to Financial Statements

September 30, 2019 (Unaudited)

NOTE 1. ORGANIZATION

Versus Capital Real Assets 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 objective is to achieve long-term Real Returns through current income and long-term capital appreciation with low correlation to the broader public equity and debt markets. “Real Returns” are defined as total returns adjusted for the effects of inflation. The Fund attempts to achieve this objective by investing substantially all of its assets in public and private investments in global infrastructure, timberland and agriculture/farmland (“Real Asset Related Investments”). The Fund may also invest in wholly-owned and controlled subsidiaries (the “Subsidiaries”) that will make direct investments into timberland and agriculture/farmland assets. The Fund will maintain voting control of the Subsidiaries. The Subsidiaries will be real estate investment trusts (“Sub-REITs”) and the Fund shall report its investment in the Sub-REITs in accordance with generally accepted accounting principles. Accordingly, the Fund’s investment in the Sub-REITs shall be valued utilizing the fair value principles outlined within the Fund’s valuation Policy. For purposes of the Fund’s leverage and concentration policies under the Investment Company Act, the assets of the Sub-REITs will be consolidated with the assets of the Fund in order to determine compliance with such policies. Any leverage incurred at the Subsidiaries level will be aggregated with the Fund’s leverage for purposes of complying with Section 18 of the Investment Company Act. For purposes of complying with its fundamental and non-fundamental investment restrictions and policies pursuant to Section 8 of the Investment Company Act, the Fund will aggregate its direct investments with the investments of the Subsidiaries. The Fund was declared effective by the U.S. Securities and Exchange Commission (the “SEC”) on September 18, 2017, (the “Effective Date”) and accordingly, the Fund commenced its investment operations. The Fund is authorized to issue an unlimited number of shares of beneficial interest without par value up to a total of \$2 billion.

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 its 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 mean 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. 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 net asset value (the “NAV”).

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. 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.

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 on a quarterly basis. 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 Investments 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 September 30, 2019 financial statements presented herein, all of the Fund’s investments in Private Investment Funds are reported at the respective NAVs provided by the managers of the Private Investment Funds and their agents which may differ from the valuations used by the Fund in its September 30, 2019 NAV calculation.

VERSUS CAPITAL REAL ASSETS FUND LLC

Notes to Financial Statements

September 30, 2019 (Unaudited) (continued)

The Fund invests a portion of its assets in one or more wholly-owned and controlled subsidiaries that make direct investments into timberland and agriculture/farmland assets. The subsidiaries are each a real estate investment trust. The Board has approved procedures pursuant to which the Fund values its investments in each Sub-REIT at fair value. These fair value calculations will involve significant professional judgment by the Adviser in the application of both observable and unobservable attributes and the calculated values of the Sub-REITs' 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 each Sub-REIT are adjusted daily based on the estimated total return that each asset in each Sub-REIT 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 asset changes warrant any adjustments. As of the September 30, 2019 financial statements presented herein, the Fund had investments in two Sub-REITs, which are reported at fair value. At September 30, 2019, Versus Capital Real Assets Sub-REIT LLC owns an alfalfa property in Benton, Colorado fair valued at approximately \$16,000,000 and almond properties in Placer and Sutter counties in California fair valued at approximately \$14,950,000. Versus Capital Real Assets Sub-REIT II does not own property at September 30, 2019.

The Fund invests a portion of its assets in direct investments and co-investments into real asset related private debt investments. The Board has approved procedures pursuant to which the Fund values its investments in private debt investments at fair value. The Adviser will evaluate each investment's fair value based on numerous factors, including but not limited to changes in credit risk, construction risk, the financial strength of the borrower, and the debt instrument's spread to US Treasuries. In accordance with these procedures, the Adviser and the Board shall use their best efforts to ensure that value of each debt investment is adjusted based on the Adviser's estimate of what actual fair value would be in an active, liquid or established market. Generally, the Fund will carry any private debt investments based upon principal balance plus any accrued interest, but, in certain circumstances, the Fund might value the private debt investments at a discount or a premium to the principal balance of the investment. The Adviser and the Board's Valuation Committee monitor these estimates regularly and update them as necessary if macro-level considerations or individual asset changes warrant any adjustments.

The Fund may use forward contracts for hedging exposure to foreign currencies.

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.

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. For the six months ended September 30, 2019, there were no transfers in or out of Level 3. A summary of inputs used to value the Fund's investments as of September 30, 2019 is as follows:

| | Total Market Value at 09/30/2019 | Level 1 Quoted Price | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs |
|---|--|----------------------------|--|--|
| Private Investment Funds (Sub-REIT)* | \$ 33,743,164 | \$ — | \$ — | \$ 33,743,164 |
| Common Stocks* | 286,726,705 | 286,726,705 | — | — |
| Real Estate Investment Trust* | 41,600,108 | 41,600,108 | — | — |
| Corporate Debt* | 42,727,136 | — | 42,727,136 | — |
| Private Debt* | 152,513,810 | — | — | 152,513,810 |
| U.S. Treasury Obligations* | 7,267,442 | — | 7,267,442 | — |
| Short-Term Investments* | 75,392,061 | 75,392,061 | — | — |
| Other financial instruments (Forward foreign currency exchange contracts)* | 75,272 | — | 75,272 | — |
| Subtotal | <u>\$ 640,045,698</u> | <u>\$ 403,718,874</u> | <u>\$ 50,069,850</u> | <u>\$ 186,256,974</u> |
| Private Investment Funds (held at NAV)* | <u>\$ 810,346,144</u> | | | |
| Total | <u>\$ 1,450,391,842</u> | | | |

* See Portfolio of Investments for industry breakout.

VERSUS CAPITAL REAL ASSETS FUND LLC
Notes to Financial Statements
September 30, 2019 (Unaudited) (continued)

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; the existence of contemporaneous, observable trades in the market; and changes in listings or delistings on national exchanges.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

| | Total at 09/30/2019 | | Private Investment Fund | | Private Debt |
|----------------------------------|-----------------------|----|-------------------------|----|--------------------|
| Balance as of 03/31/2019 | \$ 164,649,528 | \$ | 15,836,839 | \$ | 148,812,689 |
| Net purchases | 21,789,845 | | 17,602,000 | | 4,187,845 |
| Accretion and Amortization | (486,724) | | — | | (486,724) |
| Change in unrealized gain | 304,325 | | 304,325 | | — |
| Balance as of 09/30/2019 | <u>\$ 186,256,974</u> | \$ | <u>33,743,164</u> | \$ | <u>152,513,810</u> |

For the six months ended September 30, 2019 the total change in unrealized gain on Level 3 securities still held at the end of the period was \$304,325.

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.

For the period ended September 30, 2019, the quarterly average value for forward foreign currency exchange purchase contracts was \$192,445 and forward foreign currency exchange sale contracts was \$2,683,785.

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 or other investments, together with any dividends or interest income earned from such investments. A portion of any distribution may be a return of capital or from other capital sources.

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 six months ended September 30, 2019, the Fund did not have a liability for any unrecognized tax obligations. The Fund recognizes interest and penalties, if any, related to unrecognized tax obligations as income tax expense in the statement of operations. During the period, the Fund did not incur any interest or penalties. The Fund identifies its major tax jurisdiction as U.S. Federal.

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.

VERSUS CAPITAL REAL ASSETS FUND LLC

Notes to Financial Statements

September 30, 2019 (Unaudited) (continued)

For the year ended March 31, 2019, tax character of the distribution paid by the Fund was approximately \$12,494,000 of ordinary income dividends and approximately \$21,925,000 of return of capital. For the period ended March 31, 2018, the tax character of the distribution paid by the Fund were approximately \$615,000 of ordinary income dividends and approximately \$1,907,000 of return of capital. Distribution from net investment income and short-term capital gains are treated as ordinary income for federal income tax purposes.

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. As of March 31, 2019, the Fund had no capital loss carryovers available to offset 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 \$18,571,000 in qualified late year losses.

As of September 30, 2019, the gross unrealized appreciation and depreciation and net unrealized appreciation on a tax basis were approximately \$80,898,000, (\$12,130,000) and \$68,768,000, respectively. The aggregate cost of securities for federal income tax purposes at September 30, 2019, was approximately \$1,286,365,000.

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 TRANSACTIONS WITH 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 1.15% of the Fund's NAV, which accrues daily based on the net assets of the Fund and is paid quarterly. The Fund accrued fees to the Adviser of approximately \$8,016,000 for the six months ended September 30, 2019.

The Adviser has retained the services of the following sub-advisers for the Fund: Brookfield Public Securities Group LLC and Lazard Asset Management LLC. The sub-advisers each manage a specified portion of the Fund's assets to be invested in domestic and international public and private securities, such as common equities, preferred shares and debt investments associated with real assets (including secured debt and mezzanine financing). The Advisor accrued fees to the Investment Managers of approximately \$910,000 for the six months ended September 30, 2019. Fees paid to sub-advisers are based on the average net assets that they manage at an annual rate up to 0.60% and are paid by the Adviser from its Investment Management Fee.

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

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/or 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. The Fund also reimburses the Adviser for a portion of the compensation that it pays to the Fund's chief compliance officer.

NOTE 4. INVESTMENT TRANSACTIONS

For the six months ended September 30, 2019, the purchases and sales of investment securities, excluding short-term investments and U.S. Government securities were approximately \$248,004,050 and \$135,676,487, 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 six months ended September 30, 2019 cumulatively were approximately \$67,444,000.

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

VERSUS CAPITAL REAL ASSETS FUND LLC
Notes to Financial Statements
September 30, 2019 (Unaudited) (continued)

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. If share repurchase requests exceed the number of shares in the Fund's Repurchase Offer plus 2% of the Fund's outstanding shares, the Fund is required to repurchase the shares on a pro rata basis. 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 will 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.

NOTE 6. LINE OF CREDIT

On May 9, 2018, the Fund entered into a \$30 million line of credit (“LOC”) with ZB, N.A. dba Vectra Bank Colorado. The LOC included a provision to increase the amount to \$50 million not to exceed 3% of assets under management. On May 8, 2019, the Fund's line of credit with ZB, N.A. dba Vectra Bank Colorado expired and the Fund opened a new \$50 million facility with a \$20 million accordion feature. Borrowings, if any, under the Vectra arrangement bear interest at the one month LIBOR/Swap Rate plus 1.5% at the time of borrowing. In addition, the Fund incurs a Non-Utilization Fee equal to 0.375% on the portion of the LOC not being used. The Fund incurred Non-Utilization Fees equal to approximately \$49,000 during the six months ended September 30, 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 September 30, 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. None of these securities have suspended redemptions. This and other important information are described in the Fund's Prospectus dated July 24, 2019.

As of September 30, 2019, the Fund invested in the following restricted securities:

| <u>Security (a)</u> | <u>Acquisition Date (b)</u> | <u>Shares/Par</u> | <u>Cost (\$1,000s)</u> | <u>Value (\$1,000s)</u> | <u>Unfunded Commitments (\$1,000s)</u> | <u>% of Net Assets</u> | <u>Redemption Notice (c)</u> |
|---|-----------------------------|-------------------|------------------------|-------------------------|--|------------------------|------------------------------|
| AMP Capital Diversified Infrastructure Trust | 12/19/2017 | — | \$ 25,005 | \$ 24,307 | \$ — | 1.6% | (d) |
| AMP Capital Infrastructure Debt Fund III | 9/18/2017 | 24,396,573 | 24,397 | 25,430 | 11,003 | 1.7% | (e) |
| Blackstone CQP Common Holdco LP | 9/27/2018 | 50,000,000 | 51,352 | 51,352 | — | 3.5% | (f) |
| Blackstone Infrastructure Partners LP | 3/31/2019 | 8,957 | 8,957 | 8,843 | 39,453 | 0.6% | (g) |
| BTG Pactual Open Ended Core US Timberland Fund LP (t) | 9/18/2017 | 136,065 | 140,000 | 157,412 | — | 10.6% | (h) |
| Ceres Farmland Holdings LP | 11/6/2017 | — | 100,000 | 105,834 | — | 7.2% | (i) |
| Frija LP | 12/18/2017 | 98,874,367 | 101,162 | 101,162 | — | 6.9% | (f) |
| Global Dividend Infrastructure Fund | 9/18/2017 | 24,112,380 | 40,000 | 38,662 | — | 2.6% | (j) |
| Hancock Timberland and Farmland Fund, LP | 9/18/2017 | 21,634 | 21,752 | 22,179 | 28,248 | 1.5% | (k) |
| Harrison Street Social Infrastructure Fund LP (t) | 7/2/2018 | 115,770 | 117,111 | 124,398 | 32,889 | 8.4% | (l) |
| IFM Global Infrastructure Fund (Offshore) LP | 9/28/2018 | — | 25,000 | 27,277 | 25,000 | 1.8% | (m) |
| IFM US Infrastructure Debt Fund, LP | 9/28/2018 | — | 10,016 | 9,831 | 5,000 | 0.7% | (n) |
| IIF Hedged LP | 9/18/2017 | 60,903,438 | 56,899 | 58,439 | — | 4.0% | (o) |
| Jamestown Timberland Fund (t) | 7/2/2018 | 34,599 | 34,681 | 35,562 | 31,319 | 2.4% | (p) |

VERSUS CAPITAL REAL ASSETS FUND LLC
Notes to Financial Statements
September 30, 2019 (Unaudited) (continued)

| <u>Security (a)</u> | <u>Acquisition Date (b)</u> | <u>Shares/Par</u> | <u>Cost (\$1,000s)</u> | <u>Value (\$1,000s)</u> | <u>Unfunded Commitments (\$1,000s)</u> | <u>% of Net Assets</u> | <u>Redemption Notice (c)</u> |
|---|-----------------------------|-------------------|------------------------|-------------------------|--|------------------------|------------------------------|
| RMS Evergreen Forestland Fund LP | 9/18/2017 | 80,000,000 | \$ 80,000 | \$ 81,111 | \$ — | 5.5% | (q) |
| UBS AgriVest Farmland Fund, Inc. | 7/1/2019 | 5,054 | 10,000 | 10,063 | — | 0.7% | — |
| US Core Farmland Fund LP (t)..... | 9/18/2017 | 67,076 | 75,000 | 80,998 | — | 5.5% | (r) |
| Versus Capital Real Assets Sub-REIT II LLC..... | 7/25/2019 | — | 1,250 | 1,331 | — | 0.1% | (s) |
| Versus Capital Real Assets Sub-REIT LLC | 9/29/2017 | — | <u>30,952</u> | <u>32,412</u> | <u>—</u> | <u>2.2%</u> | <u>(s)</u> |
| Total | | | <u>953,534</u> | <u>996,603</u> | <u>172,912</u> | <u>67.5%</u> | |

- (a) The securities include Investment Funds, debt securities, and wholly-owned REIT subsidiaries (sub-REIT). The Investment Funds are organized to serve as a collective investment vehicle through which eligible investors may invest in a professionally managed real asset portfolio of equity and debt investments consisting of timberland, infrastructure, agriculture and farmland. 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 assets while maximizing the total return to shareholders through cash dividends and appreciation in the value of shares. The Fund's debt securities are private loans made to the owners of infrastructure related assets. The principal investment objective of the debt securities is to generate a stable income stream of attractive and consistent cash distributions. The Fund has invested in wholly-owned and controlled subsidiaries that make direct investments and co-investments into timberland and agriculture/farmland assets. The principal objective of the sub-REIT is to generate attractive, predictable investment returns from a target portfolio of equity investments in primarily income-producing timberland and agriculture/farmland assets while maximizing the total return to shareholders through cash dividends and appreciation in the value of the assets.
- (b) Represents initial acquisition date as shares are purchased at various dates through the current period.
- (c) The restricted securities provide for redemption subject to certain lock-up and notice periods listed.
- (d) The fund does not have formal redemption notice or lockup periods and generally attempts to pay within 12 months of receiving the redemption request.
- (e) Closed-end fund which terminates February 12, 2026 subject to two additional one year extensions at the discretion of the fund's manager. The fund does not provide for interim redemptions.
- (f) These are private debt investments.
- (g) Following the later of: (i) the three-year anniversary of each date on which a Limited Partner acquires Units; and (ii) the six-year anniversary of the date of the Initial Closing; a Limited Partner may request redemptions quarterly upon 90 days written notice.
- (h) Two-year lock-up; redemptions are provided quarterly with 90 days prior written notice.
- (i) Two-year lock-up for the initial capital contribution and then each subsequent contribution is subject to a lock up of the later of i.) the initial capital contribution date ii.) one-year from such contribution. The notice period for redemption is annually and must be submitted by September 30th in any given year.
- (j) Shares are subject to an initial lockup period of three-years from date of acquisition. Notification period of six months is required with redemption dates falling on March 31st and September 30th of each year.
- (k) Shares are subject to an initial lockup period of three-years from date of acquisition. The notice period for redemption is annually and must be submitted by April 30th in any given year.
- (l) Shares are subject to an initial lockup period of four-years; notification of at least 90 days prior to the last calendar day of the applicable calendar quarter for which the redemption request is to be effective.
- (m) Initiating the redemption process requires a written notification 45 days prior quarter end.
- (n) Shares are subject to an initial lockup period of one-year; with 60 day written notice.
- (o) There are two redemption election periods per year which occur from May 15th to June 30th and from November 15th to December 31st. As of September 30, 2019 the Fund has submitted a \$15 million redemption notice which is subject to a redemption queue. The Investment Manager expects to meet this redemption request by the end of 2019.
- (p) Shares are subject to an initial lockup period of four years from the date of acquisition. A redemption request is first effective as of the last day of the first full calendar quarter after the quarter in which the investor delivers the redemption notice.
- (q) Shares are subject to an initial lockup period of three-years from date of acquisition. Investment redemption requests will be processed on a semi-annual basis on June 30 and December 31 of each year.
- (r) Shares are subject to an initial lockup period of three-years from date of acquisition. A redemption request is effective as of the last day of the first full calendar quarter after the quarter in which the investor delivers the redemption notice.
- (s) The security is a wholly-owned REIT subsidiary of the Fund and has no redemption provisions.
- (t) The Fund owns a non-voting majority interest in this private investment fund.

VERSUS CAPITAL REAL ASSETS FUND LLC
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NOTE 8. AFFILIATED ISSUER

The following table list each issuer owned by the Fund that may be deemed an “affiliated company” under the 1940 Act, as well as transactions that occurred in the security of such issuer during the six months ended September 30, 2019:

| <u>Affiliated Investment</u> | <u>Value at 03/31/19</u> | <u>Purchases</u> | <u>Distributions</u> | <u>Sales</u> | <u>Realized Gain/Loss</u> | <u>Change in App/Dep</u> | <u>Value at 09/30/19</u> | <u>Shares Held at 09/30/19</u> |
|--|--------------------------|---------------------|----------------------|--------------|---------------------------|--------------------------|--------------------------|--------------------------------|
| BTG Pactual Open Ended Core US Timberland Fund LP .. | \$150,512,493 | \$ — | \$3,294,382 | \$ — | \$ — | \$ 6,899,862 | \$157,412,355 | 136,065 |
| Harrison Street Social Infrastructure Fund..... | 63,266,934 | 54,444,357 | — | — | — | 6,686,805 | 124,398,096 | 115,770 |
| Jamestown Timberland Fund..... | 24,847,717 | 10,000,000 | — | — | — | 714,167 | 35,561,884 | 34,599 |
| RMS Evergreen US Forestland Fund LP..... | 81,742,560 | — | 926,057 | — | — | (631,360) | 81,111,200 | 80,000,000 |
| US Core Farmland Fund LP..... | 80,718,940 | — | 1,022,849 | — | — | 278,803 | 80,997,743 | 67,076 |
| Versus Capital Real Assets Sub-REIT LLC | 15,836,839 | 16,352,000 | — | — | — | 222,771 | 32,411,610 | 30,952,000 |
| Versus Capital Real Assets Sub-REIT LLC II..... | — | 1,250,000 | — | — | — | 81,554 | 1,331,554 | 1,250,000 |
| Total | <u>\$416,925,483</u> | <u>\$82,046,357</u> | <u>\$5,243,288</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$14,252,602</u> | <u>\$513,224,442</u> | |

NOTE 9. SUBSEQUENT EVENTS

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 REAL ASSETS FUND

Additional Information (Unaudited)

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 will file its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Port, which has replaced Form N-Q, within 60 days after the end of the period. Copies of the Fund's Forms N-PORT will be available without a charge, upon request, by contacting the Fund at (866) 459-2772 and on the SEC's website at <http://www.sec.gov>.

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 MANAGEMENT AGREEMENT AND INVESTMENT SUB-ADVISORY AGREEMENTS

At a meeting held on June 12, 2019, the Board of Directors (the "Board") of the Fund, including a majority of the Directors who are not "interested persons" (the "Independent Directors"), as such term is defined by the 1940 Act, approved the continuation of the following investment advisory agreements: the Investment Management Agreement between the Fund and Versus Capital Advisors LLC (the "Adviser") (the "Management Agreement"), (2) the Investment Sub-Advisory Agreement between the Adviser and Brookfield Investment Management Inc. (now Brookfield Public Securities Group LLC, "Brookfield" or "Sub-Adviser") and (3) the Investment Sub-Advisory Agreement between the Adviser and Lazard Asset Management LLC ("Lazard" or "Sub-Adviser"). (The Investment Sub-Advisory Agreements each are referred to as a "Sub-Advisory Agreement" and together with the Management Agreement are referred to as the "Agreements.") In preparation for that meeting, the Independent Directors met on June 7, 2019, with the assistance of their independent legal counsel, to review and evaluate the materials provided by the Adviser and Sub-Advisers in response to a request for information on behalf of the Independent Directors (the "Responses"), along with a memorandum from their independent legal counsel. At the June 12, 2019 Board Investment Committee meeting, the Directors reviewed the Responses and received a presentation from the Adviser, including responses to supplemental questions that were provided to the Adviser by independent legal counsel on behalf of the Independent Directors. The Independent Directors further discussed continuation of the Agreements in an executive session with independent legal counsel during the June Board meeting.

In considering the Management Agreement, the Board noted that as a technical matter, because the Management Agreement initially had been executed as of April 6, 2017, the agreement was considered for continuation, and was renewed, at the Board's March 1, 2019 meeting. However, in order to place the Management Agreement on the same annual contract renewal cycle as the other Agreements, it was reviewed again at the June 2019 Board meeting.

Management Agreement

Matters considered by the Board in connection with its approval of the Management Agreement included the following:

The nature, extent and quality of the services the Adviser provides under the Management Agreement: The Board reviewed and considered information regarding the nature, extent and quality of the services provided to the Fund by the Adviser, including the Adviser's presentation about its operations and capabilities, including business continuity and information security, the Adviser's Form ADV, the Management Agreement and other materials provided by the Adviser relating to the Management Agreement. The Board also noted information received at regular meetings throughout the year related to the services provided. The Board considered the investment strategy employed by the Adviser for investing in real assets, including infrastructure, farmland/agriculture and timberland, and reviewed the Fund's investment allocations. Additionally, the Board considered the Adviser's description of the investment decision-making process for the Fund, including the multi-step process for the selection of sub-advisers to manage portions of the Fund and the multi-step process for the selection of institutional funds or other direct investments for the Fund. The Board also considered the process for on-going monitoring of sub-advisers and institutional funds, including the review of performance, a review to ensure that investments are consistent with the Fund's investment objective, compliance updates and due diligence visits. In addition to the portfolio construction and investment management services outlined above, the Board reviewed the additional services provided by the Adviser, including, but not limited to, compliance services, certain administrative services, and distribution, marketing and shareholder services. The Board reviewed and considered the qualifications, backgrounds and responsibilities of the professional personnel of the Adviser performing services for the Fund. The Board also considered the financial strength of the Adviser and its ability to fulfill its contractual obligations as well as the risks assumed by the Adviser in managing the Fund. The Board received financial statements from the Adviser and noted a recent minority investment in the Adviser by an outside party. The Board considered the additional resources added and steps taken by the Adviser to enhance the compliance program and other functions. The Board concluded that the Adviser was qualified to perform the services needed to successfully implement the Fund's unique investment strategy.

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Additional Information (Unaudited)

Performance: The Board received and reviewed performance information for the Fund. The Board considered the Adviser's success in structuring a portfolio with broad exposure to real assets that met the target range of private/public investment allocation. The Board considered the returns of the Fund and the various segments of the portfolio for the one-year and since inception periods (ended March 31, 2019) and compared the Fund's return and standard deviation to the S&P Real Assets Index. The Board also considered the income distributions from the Fund. Given the unique investment strategy and construction of the Fund, the Adviser represented that there currently was no investment peer group with similarly constructed investments to use for performance comparisons. The Board also reviewed the measures used by the Adviser for evaluating the performance of the Sub-Advisers. Based on the information provided, the Board concluded that the Adviser was meeting the Fund's investment objective and had delivered an acceptable level of investment returns to shareholders.

A comparison of fees with those paid by similar investment companies: The Board reviewed and considered the contractual advisory fee paid to the Adviser by the Fund in light of the nature, extent and quality of the investment advisory services provided by the Adviser. As a part of this review, the Board noted that the Adviser pays out of its own fee the sub-advisory and consulting fees and reviewed and considered the fee retained by the Adviser after the payment of these fees. The Board also reviewed a breakdown of other Fund expenses. The Board considered the advisory fee and the total expense ratio of the Fund in comparison to a group of closed-end interval funds (the "Peer Group") provided by the Adviser. The Adviser explained that the Peer Group, which was a listing of relevant closed-end interval funds that invest in alternative investments and are included in the Morningstar Direct Database (with the addition of two interval funds that do not report to Morningstar), had diverse investment objectives and strategies that did not track those of the Fund. However, the Adviser stated that as there were no comparable funds based on investment strategy, the Peer Group served as a measure of alternative investments available to shareholders. The Board was also advised that the Adviser had no other client with a comparable investment strategy. The Board reviewed the advisory fee and total expense ratio of the funds in the Peer Group as well as summary statistics for the Peer Group and compared the advisory fee and total expense ratio of the Fund to those of the Peer Group. The Board considered that the Fund's advisory fee and total expense ratio were each below the average and median of the Peer Group. In light of these factors, the Board concluded that the advisory fee was reasonable.

The Adviser's costs and profitability: The Board considered the profitability of the Adviser and whether such profits were reasonable in light of the services provided to the Fund. As a part of this consideration the Board reviewed the Adviser's 2017 audited financial statements along with unaudited financial statements for 2018 and first quarter 2019. The Board reviewed information provided by the Adviser regarding profitability from the fund complex. The Adviser reviewed its methodology for computing the information provided. The Board also considered the increase in overhead detailed by the Adviser as a result of additions of investment, compliance and other resources during the past year and the future intention to add more resources. The Board noted that the Fund was a specialized product that required appropriate expertise. The Board concluded that based upon these factors, the Adviser's profits were not unreasonable.

Indirect benefits of providing advisory services: The Board was informed that the Adviser does not receive any indirect benefits from the Fund.

The extent to which economies of scale are shared with shareholders: The Adviser represented that the advisory fee structure for the Fund had been set to price the Fund at scale at the time of its launch, which would give the Fund the benefits of scale without waiting for asset growth. The Adviser also noted that an expense cap had been put in place by the Adviser for the first year and that all of the organizational and offering expenses had been paid by the Adviser to limit the Fund's costs during the first year of operations. The Board also considered the level of the current assets in the Fund as well as additional investments being made by the Adviser into resources to support the services provided to the Fund. The Board concluded that the lack of advisory fee breakpoints was appropriate at this time and any economies of scale were appropriately reflected in the advisory fee paid by the Fund.

Conclusion: The Board, having requested and received such information from the Adviser as it believed reasonably necessary to evaluate the terms of the Management Agreement, determined that the continuation of the Management Agreement for an additional one-year term was in the best interests of the Fund and its shareholders. In considering the Management Agreement, the Board did not identify any one factor as decisive, but rather considered these factors collectively in light of surrounding circumstances. Further, each Director may have afforded a different weight to different factors.

Sub-Advisory Agreements

Matters considered by the Board in connection with its approval of the Sub-Advisory Agreements included the following:

The nature, extent and quality of the services provided under each Sub-Advisory Agreement: As to each Sub-Adviser, the Board considered the reputation, qualifications and background of the Sub-Adviser, the investment approach of the Sub-Adviser, the experience and skills of investment personnel responsible for the day-to-day management of the Fund and the resources made available to such personnel. The Independent Board Members also considered the Sub-Advisers' financial strength, business continuity and information security, compliance with investment policies and general legal compliance. Based upon all relevant factors, the Independent Board Members concluded that the nature, extent and quality of the services provided by the Sub-Advisers were satisfactory.

Investment Performance. As to each Sub-Adviser, the Adviser had advised the Board that the investment services delivered to the Fund were reasonable. For Brookfield, performance information was reviewed for the period from October 1, 2017 (first full month after inception of services) through March 31, 2019. For Lazard, performance information was reviewed for the period from December 31, 2018 (inception of services) through March 31, 2019. Based upon the performance attribution information provided and the Adviser's evaluation, the Board concluded that the services of each Sub-Adviser were reasonable.

Fees, Economies of Scale, Profitability and Other Benefits to Sub-Advisers. For each Sub-Adviser, the Board considered the sub-advisory fee rates, noting that the Adviser compensates each Sub-Adviser from its own advisory fee, so that shareholders pay only the advisory fee. In addition, in evaluating

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Additional Information (Unaudited)

the sub-advisory fee rates, the Board considered that the sub-advisory fee rate was negotiated at arm's length between the Adviser and the Sub-Adviser. For each Sub-Adviser, the Board received information regarding fees charged to other clients of the Sub-Adviser with similarly managed portfolios.

The Board considered whether there are economies of scale with respect to the sub-advisory services provided by each Sub-Adviser and whether they were appropriately shared, noting the breakpoints in the fee schedules.

The Board considered profitability to each Sub-Adviser. For Brookfield, the Board reviewed the financial statements of the Sub-Adviser and considered the amount of fees paid to the Sub-Adviser under the agreement. For Lazard, the Board reviewed profitability information provided by the Sub-Adviser. Based upon its review, the Board concluded that the profitability of each Sub-Advisory Agreement was not unreasonable.

The Board also considered the character and amount of other incidental benefits received by each Sub-Adviser when evaluating the sub-advisory fees. The Board considered as a part of this analysis each Sub-Adviser's brokerage practices and soft dollar practices. The Board concluded that taking into account the incidental benefits received by each Sub-Adviser and the other factors considered, the sub-advisory fees were reasonable.

Conclusion. The Board, having requested and received such information from the Sub-Advisers as it believed reasonably necessary to evaluate the terms of each Sub-Advisory Agreement, determined that the continuation of each Sub-Advisory Agreement for an additional one-year term was in the best interests of the Fund and its shareholders. In considering each Sub-Advisory Agreement, the Board did not identify any one factor as decisive, but rather considered these factors collectively in light of surrounding circumstances. Further, each Director may have afforded a different weight to different factors.

Conclusion

The Board, having reviewed each of the Agreements, determined that each Agreement should be renewed because each continues to enable the Fund's investors to obtain high quality services at a cost that is appropriate, reasonable and in the interests of investors.