Mid-Atlantic UFCW and Participating Employers Pension Fund

Compliance Report

March 31, 2017

Investment Performance Services, LLC

Equity Commingled Fund Quarterly Compliance Checklist
Period Ending March 31, 2017

To: Vanguard Institutional Asset Management - Vanguard US Stock Mkt Index

Re: Mid-Atlantic UFCW and Participating Employers Pension Fund - Equity

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No **Yes (provide details)**

3.) Have any ownership changes in the firm occurred during the quarter?

No **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No **Yes (provide details)**

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No **Yes (provide details and current status)**

As with similar institutions, The Vanguard Group and certain of its affiliates are involved in litigation from time to time. This includes litigation relating to contractual disputes, provision of investment-related services, employment disputes, and property liability matters. None of that litigation has been material to the operations or financial condition of The Vanguard Group or its affiliates.

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment?

Yes **No (please explain)**

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or prospectus guidelines?

Yes **No (please explain)**

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes **No (please explain)**

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

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Certified For The Firm By:

Name:

Signature:

Title:
Firm: Vanguard Institutional Asset Management
Date:

Investment Performance Services, LLC

Fixed Income Separate Account Quarterly Compliance Checklist
Period Ending March 31, 2017

To: Chartwell Investment Partners – Account 538

Re: Mid-Atlantic UFCW and Participating Employers Pension Fund – Short Term High Yield

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No **Yes (provide details)**

During the first quarter of 2017, Robert Mory, Southeast Regional Director, retired. Albert Stewart, Southwest Regional Director, left to pursue another career opportunity within TriState Capital Bank, our parent company.

3.) Have any ownership changes in the firm occurred during the quarter?

No **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **<u>If you are not required to file form ADV, please explain why</u>.**

No **Yes (provide details)**

There were no material changes other than the removal of an affiliate advisor disclosure for Edward Antoian and Zeke Capital Advisors with whom we no longer share office space nor have any contractual affiliation. Since our affiliate broker-dealer, Chartwell TSC Securities Corp. commenced operations in March 2017, we added related disclosure in ADV 2A, Item 10, page 11.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No **Yes (provide details and current status)**

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the Fund's investment policy statement?

Yes **No (please explain)**

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy?

Yes **No (please explain)**

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes **No (please explain)**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein. Specific examples of types of derivatives include but are not limited to the following:
  - Structured Finance
  - Collateralized Debt Obligations (CDO)
  - Structured Commercial Mortgage Obligations
  - Collateralized Mortgage Obligations (CMO)
  - Collateralized Loan Obligations (CLO)
  - Structured Asset-Backed Obligations
- A complete list of derivatives securities utilized in the Fund's portfolio since our last certification is attached to this certification. In our judgment, these investments are prudent, in the best interest of the Fund and its participants, and are in compliance with the investment policy and guidelines of the Fund.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives listed.

Yes **No (please explain)**

11.) Has your firm reviewed the DOL's final ruling on cross-trading of securities and are you in compliance with the ruling?

Yes **No (please explain)**

12.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

13.) Is the investment management fee charged by your firm to the Fund consistent with the fee schedule in the investment management contract? Is the fee charged by your firm to the Fund consistent with the fee charged by your firm to other funds of a similar size and the most competitive fee offered by your firm?

Yes **No (please explain)**

It is consistent with the fees paid by other funds of a similar size, and it is the most competitive fee available for this account based on our evaluation of characteristics for a fund of this nature.

14.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

15.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

16.) Is your firm achieving best execution for the Fund on all transactions involving Fund assets?

Yes **No (please explain)**

17.) Have you confirmed that the Qualified Institutional Buyer requirements for the above client have been met for the purchases 144a securities?

Yes **No (please explain)**

Certified For The Firm By:

Name: Melissa L. Haupt

Signature:

Melissa L. Haupt

Title: Manager of Client Services
Firm: Chartwell Investment Partners
4/17/17

Investment Performance Services, LLC

Real Estate Quarterly Compliance Checklist
Period Ending March 31, 2017

To: American Realty Advisors

Re: Mid-Atlantic UFCW and Participating Employers Pension Fund - Real Estate
American Core Realty Fund - Account No. 1351

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **<u>If you are not required to file Form ADV, please explain why.</u>**

No

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

Yes, however ARA did not perform stress testing as the Fund only held a minimal amount of derivative securities for interest rate hedging purposes. As of March 31, 2017, no derivative securities are held in the Fund's portfolio.

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No material changes have occurred.

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Kristin Adrian

Signature: Kristin Adrian

Title: Chief Compliance Officer

Firm: American Realty Advisors

Date: April 14, 2017

Part 2A of Form ADV: Firm Brochure

March 20, 2017

This brochure provides information about the qualifications and business practices of American Realty Advisors ("ARA"). If you have any questions about the contents of this brochure, please contact us at (818) 545-1152 or butterfield@americanreal.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about ARA also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. ARA's CRD number is 107965.

ARA is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

American Realty Advisors

801 North Brand Boulevard, Suite 800
Glendale, CA 91203

818.545.1152

818.545.8460 fax

Item 2: MATERIAL CHANGES

There have been no material changes made to the March15, 2016 version of ARA's ADV Part 2A Brochure ("Brochure").

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Item 3: TABLE OF CONTENTS

Item 4: ADVISORY BUSINESS

Description of Firm

ARA has been in business since 1988 and has been registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Act") since 1990. ARA is an investment advisory firm that provides real estate investment management services primarily to institutional clients such as pension plans, trusts, endowments, foundations, and similar entities. Clients engage ARA to manage their "separate accounts," and ARA sponsors "pooled investment vehicles" also referred to as "commingled funds", as described below. The pooled investment vehicles sponsored by ARA are also viewed as clients of ARA. The investors in these vehicles are primarily institutional investors.

Principal Owner

ARA's senior investment professionals have always held 100% of ARA's common stock. The Iezman Family Trust currently owns 100% of the firm's common stock. Under the terms of the Iezman Family Trust agreement, Stanley L. Iezman, the firm's Chairman and Chief Executive Officer, has exclusive voting control over ARA's common stock. There are several key employees who share in the profits of ARA. This profit-sharing arrangement provides key employees with additional incentives to ensure the success of the firm and aligns their interests to the goals of the firm's clients in the same manner as if they had an economic ownership interest in the firm.

Advisory Services

ARA provides a variety of investment advisory services focused exclusively on real estate related matters and investments. ARA invests in real estate and real estate related investments on behalf of its clients and provides advice regarding real estate investments. ARA generally limits the real estate investments it makes on behalf of its clients to commercial and multi-family properties. ARA also makes loans, enters into structured finance transactions secured, directly or indirectly, by real estate, on behalf of the firm's clients, or invests in mortgage backed non-guaranteed certificates on behalf of the firm's clients. The various services ARA provides to its clients, including its consulting and Qualified Professional Asset Manager (QPAM) services and "takeover assignments," are defined and described in more detail below.

Pooled Investment Vehicles

ARA provides advisory services to pooled investment vehicles sponsored by ARA. In addition, ARA provides advisory services to one such vehicle which was originally sponsored by another advisor. With respect to the latter vehicle, ARA provides such services through a sub-advisor contractual relationship. Currently, three of these pooled investment vehicles are closed-end and two are open-ended. Two of the three closed-end vehicles have sold their last asset and are winding down. Additional pooled investment vehicles may be sponsored by ARA in the future.

Separate Accounts

Clients may also invest in real estate through a separate account established by ARA. In addition, clients may select ARA to takeover a separate account originally established with another advisor. ARA provides separate account clients with advisory services related to real estate related investments held exclusively for the benefit of each such client.

Short-Term Investments

ARA also manages cash generated from such real estate investments and makes short-term investments ("Short-Term Investments") for certain of its clients related to their real estate investments. Such Short-Term Investments may include:

- commercial paper;

- certificates of deposit; or
- U.S. Government securities.

ARA may establish a discretionary account with a bank, a broker-dealer or an investment adviser to allow them to make such Short-Term Investments. Such Short-Term Investments are generally made with capital awaiting investment in real estate, undistributed operating cash flow, or proceeds from the sale of real estate or other investments. Short-Term Investments are intended to be temporary, pending distribution of such funds to the client or reinvestment of such funds in new real estate related investments.

QPAM / Consulting Services

In addition to ARA's primary business of investing in real estate, ARA may serve as a QPAM under the provisions of Prohibited Transaction Exemption 84-14 issued pursuant to the Employee Retirement Income Security Act of 1974, as amended (ERISA), with regard to various transactions in which the services of a QPAM may be required. ARA may also serve as a consultant to various pension plans, apprenticeship funds, safety and education plans, profit sharing plans, unions or other clients on matters such as:

- reviewing and advising on the client's proposed real estate transactions;
- evaluating and advising on conflicts of interest in real estate related transactions;
- providing oversight of the development of real estate construction projects;
- conducting due diligence for potential real estate investments;
- providing analysis of various strategic decisions associated with leases, investments, development, dispositions and evaluation of investment decisions; and
- evaluating investments which have been completed to determine whether they meet various industry and fiduciary standards.

Takeover Services

ARA also provides services as an advisor to separate account and pooled investment vehicle clients who have invested in real estate with another investment manager and who wish to engage ARA to takeover the management of the account or the pooled investment vehicle. These takeover services involve analyzing the assets in the takeover account and addressing historical issues with the assets and developing operating plans for the assets.

Development Services

ARA also provides services related to the oversight of the development of real estate assets.

Tailored Advisory Services

Advisory services are designed to satisfy the individual needs of each of ARA's separate account clients as outlined in the investment management agreement negotiated with the client. Typically, ARA's clients grant ARA discretionary authority to select the real estate investments to be made on behalf of such clients. ARA generally also has discretion to determine when to sell such real estate investments. However, certain clients may impose restrictions in the investment management agreement, in investment guidelines, or in an investment policy statement. Such restrictions may prevent ARA from investing in specific types of investments or limit ARA's discretionary authority.

ARA provides advisory services to the pooled investment vehicles it sponsors tailored to the specific goals, objectives and operating guidelines of each vehicle. For example, ARA's services can be tailored to accommodate the objective of avoiding

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unrelated business taxable income or of investing in a diversified portfolio of real estate, both geographically and by property type.

Wrap Fee Programs

ARA does not participate in wrap fee programs.

Clients' Assets Managed on a Discretionary and Non-Discretionary Basis

The amount of client assets ARA managed on a discretionary basis, calculated based on the gross asset value and net asset value of such assets, as of December 31, 2016 were $7,997,288,758 and $6,844,333,393, respectively.

The amount of client assets ARA managed on a non-discretionary basis, calculated based on the gross asset value and net asset value of such assets, as of December 31, 2016 were $13,933,048 and $7,012,094, respectively.

Item 5: FEES AND COMPENSATION

Fees – Separate Accounts

Annual fees for activities undertaken on behalf of ARA's existing separate account clients typically range from an annual rate of 0.45% to 2.00% of the value of the assets under management, depending on the nature of the separate account mandate. Asset management fee rates are typically based on some or all of the following criteria:

- the original acquisition cost of the assets;
- appraised value of the assets
- the current net or gross market value of the assets;
- the balance of any outstanding loan investment; or
- the net operating income generated from the assets.

On occasion, the asset management fee charged by ARA may be a negotiated fixed amount.

Asset management fees for separate account clients are typically paid either on a monthly or a quarterly basis in arrears. Frequency of payment and amount of the fees are as agreed upon between ARA and the individual client.

In addition to the asset management fee, other fees, such as takeover, due diligence, real estate acquisition, incentive, workout, loan, or disposition fees, are paid on a negotiated basis with respect to ARA's separate account clients.

Fees – Pooled Investment Vehicles

ARA receives an asset management fee with respect to each investor's investment in the pooled investment vehicles it sponsors.

The governing documents of the pooled investment vehicles specify the fee schedule for the payment of any other fees to ARA by the investors in such vehicles. They also specify the timing of the payment of such fees to ARA which are typically charged on a quarterly basis in arrears. Asset management fees payable to ARA range from an annual rate of 0.80% to 1.25%, and vary depending upon the pooled investment vehicle sponsored by ARA and other factors. For example, except as noted below, the amount of the asset management fee paid to ARA by investors in one of the open-ended pooled investment vehicles sponsored by ARA is linked to the size of the investor's total investment commitment reduced by redemptions for investors who acquired their interests after January 1, 2015. In another of the pooled investment vehicles sponsored by ARA, the governing documents establish a tiered fee structure linked to the net asset value of the investor's investment.

No asset management fee is charged on commitments made by an investor that have not yet been contributed to the pooled investment vehicle.

In addition to the asset management fee, the governing documents for certain of the pooled investment vehicles include provisions for other fees such as:

- a cash management fee;
- an acquisition fee; and
- a performance-based fee

The existence of an acquisition fee may be deemed to create an incentive for ARA to cause such vehicles to acquire assets such vehicles might not have otherwise acquired based on the anticipated fee to be received by ARA. The performance-based fee may also be deemed to create an incentive for ARA to allocate investment opportunities to any pooled investment vehicles with such a fee over those without such a fee. These risks are reduced significantly by the other components of ARA's fee schedule, the policy for allocating investment opportunities and the involvement of a cross-functional Investment Committee in the approval of each acquisition.

ARA has historically elected to waive a portion of the asset management fees that would be payable to ARA pursuant to the governing documents for one of the pooled investment vehicles it sponsored. Investors in this vehicle who made a capital commitment below a breakpoint where asset management fees decline have been granted a fee break at such time as the net asset value of their interest in the pooled investment vehicle exceeds any of the breakpoints for fee reductions even though their capital commitments were insufficient to achieve the fee break. This fee break has been provided to such investors until such time as the net asset value of their investment in the vehicle has declined below the breakpoint. In addition, ARA has elected to waive that portion of the asset management fee that would be payable to ARA pursuant to the governing documents for this pooled investment vehicle attributable to excess cash, which for purposes of the waiver is determined to be all cash in excess of 5% of the pooled investment vehicle's net asset value. There is no guarantee that ARA will continue to waive a portion of the fees to which it is entitled pursuant to the governing documents of the vehicle.

In addition, ARA has negotiated specific terms of investment with certain existing investors in its pooled investment vehicles that differ from the terms applicable to other investors, such as fees, and expects to do so in appropriate circumstances in the future. Except as noted above, fees paid by investors in the pooled investment vehicles sponsored by ARA have historically not been negotiable.

Other Fees

Hourly fees are charged for certain services provided to consulting services clients at rates ranging from $250 to $1,500 per hour, depending on the nature of the work, as negotiated by the client. In addition, fixed fee arrangements for certain consulting services are agreed upon with some consulting services clients.

Method of Payment

Separate account clients may select whether they prefer to be billed for their fees or to have the fees deducted from their account. However, ARA typically bills its separate account clients for the fees incurred. This occurs on a quarterly basis unless ARA and the client negotiate other payment terms. Fees are not deducted from assets held in a separate account unless the investment management agreement with the client provides ARA with this authority.

ARA deducts fees from distributions to investors who have invested in the open-end pooled investment vehicles ARA sponsored. If an open-end pooled investment vehicle sponsored by ARA does not declare a distribution for a particular quarter, the asset management fees due to ARA would accrue and be paid out of the next available distribution. In the case of the closed-end pooled investment vehicles, and the open-end pooled investment vehicle currently managed by ARA but originally sponsored by another advisor, ARA deducts its fees from the investor's investment directly. Asset management fees are paid quarterly, in arrears. Acquisition fees are paid following the closing on a new investment. Performance based fees are payable in accordance with the terms of the governing documents for those pooled investment vehicles that provide for such a fee.

ARA has negotiated specific terms of investment for certain investors in its pooled investment vehicles that differ from the terms applicable to other investors, such as fee offsets, and under appropriate circumstances may be so in the future. Except as noted above, the method for payment of ARA's fees is fixed by the terms of the governing documents applicable to an investment in the pooled investment vehicles. Therefore, investors who invest in such investments are not able to select which method of payment they would prefer.

Other Types of Fees or Expenses

ARA bears its own costs of compensation of its officers and employees and related overhead expenses, except that the costs of compensation and benefits of certain legal, investor relations, due diligence, administrative support, accounting, asset management, insurance and other professionals employed by ARA that provide services that would normally be provided by outside professionals is reimbursed by the pooled investment vehicles in a manner consistent with their governing documents. Such reimbursements are at the direct cost of such employee, with no reimbursement for any administrative, rental or other overhead costs associated with such person. Such reimbursement is at a cost no greater than the rates charged by third parties for comparable services and do not generate any profit to ARA.

For example, the pooled investment vehicles reimburse ARA for a portion of the salaries and benefits of certain ARA employees who provide legal, investor relations, due diligence, administrative support, accounting, certain asset management, insurance and reporting related services to ARA to the extent that such services relate to the pooled investment vehicle. The portion of a specific employee's salary and benefits to be reimbursed by a specific vehicle is determined each month based on the percentage of such employees' time that was spent during the month on services required with respect to the operations of the vehicle. Any reimbursements paid by a pooled investment vehicle to ARA are subject to limitations set out in the vehicle's governing documents. The pooled investment vehicles do not reimburse ARA for the salaries and benefits related to ARA's investment committee members, senior acquisition personnel, senior asset management personnel and such other senior managers as are responsible for the day to day management and strategic direction of ARA. Instead, ARA bears its own costs of compensation of such personnel and overhead expenses related to such personnel.

The investment management agreements between ARA and its separate account clients specify any fees or expenses required to be paid by the client that are in addition to the forms of compensation discussed above.

Third party expenses incurred by ARA that are related to the operations of the assets held by a pooled investment vehicle or a separate account are generally paid to such third parties by ARA and ARA is reimbursed based on the client's allocable portion thereof. Such expenses include but are not limited to: (i) certain expenses incurred by ARA's employees in connection with identifying, negotiating, executing, researching, financing, managing, developing, or disposing of potential or actual investment opportunities for the pooled investment vehicles, (ii) costs and expenses related to engagement of third party consultants, advisers and service providers, including those who provide accounting and analytical services, (iii) costs and expenses related to insurance policies, (iv) brokerage and other transaction costs including but not limited to custody fees, (v) any costs and expenses related to indemnities, taxes or litigation imposed on or due by the pooled investment vehicles or their subsidiaries, (vi) in certain circumstances, costs and expenses related to raising equity capital; and (vii) costs and expenses related to administration of the vehicles, and accounting and IT services provided to these vehicles.

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Consulting services clients are obligated to pay for certain expenses in connection with the provision of the services specified in the consulting services agreement. Any obligation to reimburse ARA for expenses, however, would be negotiated and outlined in the agreement entered into between the client and ARA. ARA typically invoices such clients for any such expenses incurred by ARA.

A separate account client or the pooled investment vehicle is typically not billed on a direct basis for any third party real estate brokerage fees or other transaction costs associated with the purchase or sale of a real estate asset or the leasing of space in a real estate asset owned by such client or vehicle. However, these expenses are paid at the investment level with respect to such client or vehicle and impact the overall performance of that investment.

Reimbursement of ARA for any expenses incurred by ARA for the benefit of such pooled investment vehicles, separate account clients and consulting services clients are conducted in compliance with ARA's policies and procedures.

Pre-Paid Fees

ARA's fees are generally earned when services are provided, and are generally paid in arrears after the services have been provided. On occasion, ARA will enter into a consulting services engagement and the terms of the consulting services agreement for that engagement will provide that a portion of the fee that is negotiated for the project is earned and due at the time the agreement is executed with the balance of the fee either due at pre-determined stages or upon completion of the assignment. No refunds are available for any portion of the fee due upon execution of the agreement for such an engagement unless the client has negotiated such a provision in the agreement.

Compensation for the Sale of Securities

Neither ARA nor any of ARA's employees, accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The investment management agreements between certain of ARA's separate account clients and ARA provide that ARA is entitled to receive an incentive fee calculated as a percentage of the return on the client's investment above a certain minimum return, or based on other performance related criteria. Any such incentive fee is in addition to the asset management fee paid by the client.

The investment management agreement between ARA and certain of the pooled investment vehicles it sponsors provides ARA with the opportunity to receive a performance-based fee. Such fees are summarized in the offering documents related to such vehicles.

ARA's receipt of performance-based fees may incentivize ARA to make investments that are riskier or more speculative than it would make in the absence of performance-based fees. With respect to the pooled investment vehicles that ARA manages, the performance-based fee arrangements are not the product of arm's length negotiations with third parties. Instead, these fee arrangements are established by the governing documents for the pooled investment vehicles and are known to the investors in those vehicles at the time that they make their investment decision.

All performance-based fees are calculated and paid in accordance with Section 205 and Rule 205-3 under the Act.

Side-by-Side Management

ARA manages accounts that are charged a fixed asset management fee as well as a performance-based or incentive fee. ARA also manages accounts that are only charged a fixed asset management fee. The SEC refers to this as side-by-side management.

ARA believes that incentive fees serve to align ARA's interests with those of its clients. The potential exists, however, for these incentive fees to create a conflict of interest. For example, ARA could be motivated to devote more resources or allocate more favorable investment opportunities to accounts offering ARA the potential to earn an incentive fee.

ARA believes that any potential conflicts of interest that might otherwise exist due to performance-based fee accounts are mitigated by ARA's rigorous application of its asset management procedures. ARA applies a consistent approach to asset management across all assets under its management regardless of the fee structure of the account in which the asset is held. For example, ARA has a formal allocation policy that mitigates the risk that investment opportunities will be allocated to accounts based, even in part, on whether or not the account affords ARA the opportunity to earn an incentive fee. In addition, all assets under management receive the same detailed attention and management. Compliance with ARA's policies and procedures related to the management of the firm's assets and any potential conflicts of interest are monitored by the firm's Chief Compliance Officer, members of the firm's senior management and ARA's Investment Committee.

In addition, ARA uses a rotational system for the allocation of investments among the various separate account portfolios and pooled investment vehicles that it manages on behalf of its clients. Allocation of potential investments among client portfolios and pooled investment vehicles is based on the amount of time the client portfolio or the pooled investment vehicle has been waiting for an allocation of a potential investment. Given this system, investments are allocated to the portfolio that has been waiting for an investment allocation for the longest period of time. No preference is given to any client portfolio or pooled investment vehicle in the application of this rotational system.

Potential investments are allocated to new separate accounts based on the date that a fully executed copy of the investment management agreement between the client and ARA is received by ARA or the effective date of that agreement, whichever is later. Potential investments are allocated to newly-formed pooled investment vehicles sponsored by ARA based upon the date on which the vehicle commences operations.

ARA maintains detailed records reflecting the basis for every allocation decision the firm makes. ARA will provide historical data on allocation decisions to clients whenever requested.

Item 7: TYPES OF CLIENTS

ARA serves primarily as a real estate investment manager for pension plans regulated by ERISA, for government pension plans not subject to ERISA and for pooled investment vehicles. In addition, various health and welfare plans, trusts, endowments, foundations, and similar institutional entities have invested in such pooled investment vehicles. ARA may also provide advisory services to individuals should they wish to establish a real estate separate account. In addition, individuals who meet the requirements for investment in such vehicles may invest in the pooled investment vehicles sponsored by ARA.

ARA has not established a minimum account size for establishing a separate account. The amount of the minimum initial investment required for investment in the pooled investment vehicles sponsored by ARA ranges from $1 million to $2 million. ARA, in its sole discretion, may accept investments of less than these amounts in the pooled investment vehicles.

Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis; Investment Strategies

The investment criteria used by ARA for investing in or disposing of an individual real estate related asset, or making a loan on behalf of a client's account, is governed by the specific investment strategy adopted for each client's portfolio or the applicable pooled investment vehicle.

Investment criteria considered in connection with the selection of assets for a particular client portfolio may include:

- current and potential cash flow;
- current investment value and future appreciation potential;
- preservation of capital;
- highest and best use of a real estate asset; or
- location, with emphasis on product demand within the market or the sub-market.

ARA's loan underwriting or investment process begins with a market and sub-market analysis. This analysis is followed by a comprehensive review of the investment, negotiation of the terms of the transaction, due diligence regarding the investment and underwriting of the terms of the investment. During the loan underwriting or acquisition process, ARA may engage experts in the field of construction, leasing and property management to evaluate:

- the specific property;
- the current or potential tenants in such property; and
- the market or submarket in which the property is located.

ARA is active in the management of the real estate assets held in its clients' portfolios. ARA has a well-defined hold/sell discipline that is consistent with the investment guidelines established for each client portfolio. ARA seeks to identify each variable that has the potential to impact value for each of the assets held in its clients' portfolios or in the portfolios of its pooled investment vehicles. In addition, ARA seeks to understand all risk factors that can impact performance returns and to determine how to mitigate those risks when they are controllable.

ARA utilizes a team-oriented, research-focused, pro-active investment process and a clearly defined investment strategy that:

- identifies each potential asset's inherent competitive strengths and opportunity for unrealized value;
- evaluates those factors that have the most impact on value; and
- focuses on executing the acquisition/asset management/disposition process in a manner intended to maximize value.

As noted in Item 4, above, ARA also makes Short-Term Investments. Such investments are either made directly by ARA or made through a bank, a broker-dealer or an investment adviser to whom ARA has granted discretionary investment authority, subject to certain investment guidelines.

For Short-Term Investments in U.S. Government securities that are made directly by ARA, ARA relies on the investment's credit ratings and published information regarding the expected movement of interest rates. For short-term securities that are not obligations of the U.S. Government, ARA reviews rating agency analysis and other publicly available information regarding the creditworthiness of the obligor and the particular security. ARA reviews financial publications and broker-dealer research reports as applicable.

Investments in real estate involve economic and business risks inherent in real estate investments as described in detail below. Real estate related investments involve a risk of loss that clients and investors in pooled investment vehicles should be prepared to bear.

Material Risks of the Investment Strategies Utilized by ARA

ARA seeks to achieve client objectives through prudent investment and the application of investment guidelines to its management of client portfolios and pooled investment vehicles.

The investment strategies utilized by ARA to achieve its client's objectives may, however, involve potential risks that may include:

- the impact of investing in particular geographic locations;
- the impact of investing in particular property types; and
- the impact of investing in properties with more or less exposure to particular industries represented by its tenants' lines of business.

In addition to geographic, property sector, and economic risks, the various investment strategies used by ARA involve risks that can be identified as falling into the four broad categories listed below. ARA addresses these broad risk categories as follows:

Management-Related Risks

ARA seeks to provide full transparency to clients and their advisors with respect to all aspects of the firm's operations. The firm seeks to ensure that all potential conflicts between the firm's interests and those of its clients are disclosed.

Market-Related Risks

ARA actively tracks and seeks to forecast real estate market conditions at the submarket level. From this data, ARA then identifies potential opportunities and risks related to real estate market conditions through its target market analysis.

Property-Related Risks

ARA has developed a systematic process for evaluating each property's characteristics including lease rollover, tenant credit and other property-specific risks. The ability to attract and retain tenants and to underwrite tenant creditworthiness accurately fluctuates depending on overall economic conditions.

Capital Market-Related Risks

ARA's investment strategy is focused on institutional quality single and multi-tenant assets nationwide that exhibit high quality construction and design features. At times, such assets may outperform or underperform other assets of differing sizes, locations and/or quality.

Material Risks of Investing in Real Estate and Pooled Investment Vehicles

ARA's business is exclusively related to real estate. The following is a summary of the specific risks involved in investing in real estate or real estate related investments or in a pooled investment vehicle, such as those sponsored by ARA, that invest exclusively in real estate or real estate related investments.

Real Estate Investments May Not Generate Sufficient Income to Pay Expenses Related to the Investment

A risk of investing in income-producing real estate is the possibility that the real estate will not generate income sufficient to meet operating expenses, to service any loans that are secured by the properties or to fund adequate reserves for capital expenditures. The income from such properties may be affected by many factors, including the factors listed below:

- fluctuations in occupancy levels, operating expenses and rental income (all of which in turn may be adversely affected by general and local economic conditions);
- the supply of and demand for properties of the type in which ARA has invested on behalf of its clients;
- compliance by tenants with the terms of their leases;
- collection difficulties;
- energy shortages;
- the enactment of unfavorable environmental, zoning or other legal restrictions or regulations;
- Federal and local rent controls; and
- changes in real property tax rates.

Real Estate Values May be Influenced by General Economic Conditions

Each real estate investment made by ARA is exposed to the general economic conditions and the local, regional and national conditions that affect the market in which it is located. Any material oversupply of similar properties or a material reduction of demand for such properties in the market could adversely affect the investment.

Real Estate Values May be Influenced by General Capital Market Conditions

Each real estate investment made by ARA is exposed to the general capital market conditions that affect investor demand for real estate. Any material decrease in investor perceptions of the desirability of investing in real estate and resulting decrease in investor interest in real estate could adversely affect the investment.

Real Estate Values are Subject to Various Other Factors Outside ARA's Control

Real property investments are subject to varying degrees of risk. While ARA attempts to minimize exposure to these risks through the diversification of a client's portfolio, use of market research and the exercise of ARA's investment management capabilities, these risks cannot be eliminated. The factors that can affect real estate values include:

- the attractiveness of the property to potential buyers or renters;
- competition from other available properties;
- the ability to provide adequate maintenance of, and insurance on, its properties;
- the ability to control variable operating costs; and
- governmental regulations, including zoning, usage and tax laws, and changes in or potential liability under these and other laws.

Risks Associated with Acquisition of Real Estate

The acquisition of properties involves risks, including the risk that the acquired property will not perform as anticipated and the risk that any actual costs for rehabilitation, repositioning, renovation and improvements identified in the pre-acquisition due diligence process will exceed estimates. There is, and it is expected that there will continue to be, significant competition for investment opportunities that meet the investment criteria for ARA's pooled investment vehicles and its clients' separate accounts. There are also risks associated with obtaining financing for acquisition activities, if necessary.

Risks Associated with Development and Repositioning Activities

On behalf of certain of its clients, ARA may acquire direct or indirect interests in real estate that is undeveloped or underdeveloped. To the extent ARA invests in such an asset, the investment will be subject to the risks normally associated with development activities. Such risks include:

- risks relating to the availability and timely receipt of zoning,
- planning consents, licensing and other regulatory approvals,
- the cost and timely completion of construction (including risks beyond the reasonable control of ARA, such as weather or labor conditions or material shortages), and
- the availability of both construction and permanent financing on favorable terms.

These risks could result in substantial unanticipated delays or expenses. These risks could prevent completion of the development activities. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development, which may make such development less attractive than at the time it was commenced.

Certain investments made by ARA on behalf of its clients may involve real properties under construction. The primary risks associated with new construction are cost overruns and delays. ARA will generally require developers to meet certain performance benchmarks with respect to construction progress, as a condition of the investment. Although such developers may be required to guarantee completion of construction and be responsible for cost overruns, delays may be beyond the control of such developers, and hence related risks cannot always be fully mitigated. Should delays occur, the related investment may be subject to a longer holding period, possibly decreasing the return. Developer guarantees may not include all costs or may not be fulfilled by the developer.

Although ARA will attempt to mitigate some of the construction risk by:

- requiring third-party surety guarantees for the completion of construction in some instances,
- affiliating in most instances with development companies having significant net worth and cash flow to support completion guarantees, and
- in many cases requiring the deferral of developer fees and a portion of construction fees,

there can be no assurances that ARA will be successful in so doing. Any increased construction costs could materially and adversely affect the return on the investment.

Cash Flow and Return on Investment are Subject to Risks Related to Tenant Defaults or a Lack of Acceptable Tenants

Where ARA's investments on behalf of its clients involve rental estate, the results of operations and distributable cash flow would be adversely affected if a significant number of the tenants are unable to meet their lease obligations. In the event of default by a significant number of tenants, ARA may experience delays and substantial costs may be incurred in enforcing its rights as landlord. The property's performance would also be adversely affected if ARA is unable to lease and re-lease, on economically favorable terms, a significant amount of space in its real estate properties. The number of real estate properties involving similar types of use and/or customer base in a market or submarket could adversely affect both ARA's ability to lease and lease-up the property and the rental rates that can be obtained in new leases where applicable.

Commercial Mortgage Loans May Not be Available on Acceptable Terms

Commercial mortgage loans generally lack standardized terms, which may complicate their structure. Commercial properties themselves tend to be unique and are more difficult to value than single-family residential properties. Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and may not be fully amortizing, meaning that they may have a significant principal balance, or "balloon," due on maturity. The timely payment of interest and principal on a commercial mortgage loan is secured by an income producing property and, therefore, is dependent upon performance and payments by the lessees under the related leases and the successful operation of the underlying property, rather than its liquidation value. If the net operating income from the underlying property is reduced (for example, if rental or occupancy rates decline or real estate tax rates or other operating expenses increase), the borrower's ability to repay the commercial mortgage loan may be impaired.

Furthermore, the liquidation value of the property may be adversely affected by risks generally incidental to interests in real property. In addition, the borrower's ability to make payments with respect to a commercial mortgage loan depends largely on the ability of tenants to perform under their rental obligations under existing leases and the ability of the borrower to continue to lease a substantial portion of the property upon terms that do not adversely affect the property's cash flow. As the leases expire or lessees default, the demand for and supply of rental space in general, from time to time, may affect the property's occupancy rate and the rental rates obtained and concessions, if any, granted on new leases or re-leases of space, which may cause fluctuations in the cash flow from the operation of the property. Such fluctuations may affect the amount and timing of payments on the commercial mortgage loan.

Furthermore, commercial mortgage loans with balloon payments involve a greater degree of risk of payment because the ability of a borrower to make a balloon payment may depend upon its ability to either refinance the loan or to sell the related property. The ability and desire of the borrower to accomplish either of these goals will be affected by a number of factors, including:

- the level of available mortgage rates at the time of sale or refinancing,
- the borrower's equity in the property,
- the physical and financial condition and operating history of the property,
- tax laws, and
- prevailing general economic and market conditions and the availability of credit for commercial real estate projects, generally.

In addition, the value of commercial properties depends, in part, on the fitness of such properties for a particular purpose. Thus, no assurance can be given that a borrower will not default.

Subordinated and Mezzanine Debt Investments Involve Additional Risks Due to Lack of Control Over the Underlying Investment

ARA may make or acquire subordinated and mezzanine debt investments on its clients' behalf, such as mortgage backed non-guaranteed certificates. To the extent ARA makes or acquires such investments on behalf of its clients, ARA does not anticipate having absolute control over the underlying collateral and will be dependent upon third-party borrowers and agents and will have rights that are subordinate to those of senior lenders. ARA, on behalf of its clients, may make investments in loans secured by real property. If interest rates or financial markets change, or there is an adverse development with respect to such property, ARA may be unable to obtain repayment of the loan or to dispose of its client's interest at a price sufficient to recover its client's full investment. In certain circumstances, the loans made by ARA on behalf of certain of its clients may not be secured by a mortgage, but instead by membership interests or other collateral that may provide weaker rights than a mortgage.

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In any case, in the event of default, the source of repayment will be limited to the value of the collateral and may be subordinate to other lienholders. The collateral value of the property may be less than the outstanding amount of the investment. Returns on an investment of this type depend on the borrower's ability to make required payments, and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the loan.

The Foreclosure Process Associated with Nonperforming Loans May be Lengthy and Expensive

Real estate loans originated or acquired by ARA for its clients may be at the time of their acquisition, or may become after origination, participation or acquisition, nonperforming for a wide variety of reasons. Such nonperforming real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a reduction in the interest rate and a write down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. It is possible that ARA may find it necessary or desirable to foreclose on collateral securing one or more real estate loans originated or purchased by ARA on behalf of a client.

The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including lender liability claims and defenses. Even when such assertions may have no basis in fact, borrowers may take such actions in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years or more to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may disrupt ongoing leasing and management of the property.

Investment Returns on Short-Term Investments May Be Less than Real Estate Returns

ARA may, at times, have custody of excess funds or funds held for clients may be invested in Short-Term Investments pending investment in real estate investments. The investment returns from these investments may be lower than the investment returns from real estate investments.

Illiquidity of Real Estate Investments

Investments in real estate are illiquid and subject to industry cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether to finance or refinance portfolio properties or for potential purchasers of such properties). The marketability and value of real estate acquired by ARA for its clients depends on a number of factors beyond ARA's control. Significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, generally are not reduced in the event of a reduction or interruption in income from such investments. There is no assurance that cash flow from such investments will at all times be sufficient to provide for such expenditures.

Insurance Coverage May Not Cover All Losses

ARA expects to maintain suitable comprehensive insurance coverage for each of its clients' properties and their respective business operations, in each case as appropriate for the markets in which such properties and business operations are located. Any such insurance coverage will contain policy specifications and insured limits customarily carried for similar properties, business activities and markets. However, there are certain losses, including losses from:

- hurricanes,
- fires,
- floods,

- earthquakes,
- volcanic eruptions,
- acts of war, or
- acts of terrorism and riots,

that generally are not insured against or that generally are not fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of the properties owned by a particular client, the client could experience a significant loss of capital invested in the properties as well as a loss of potential revenue from the properties and could potentially remain obligated under any recourse debt associated with the properties.

Potential Environmental Liability

Real property is subject to federal and state environmental laws, regulations and administrative rulings that, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to federal and state environmental laws that impose liability on both past and present owners and users of real property for hazardous substance remediation and removal costs. Liability is often imposed without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. Accordingly, there may be exposure to substantial risk of loss from environmental claims arising in respect of any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established. There is no assurance that such conditions do not exist or may not arise in the future, and the presence of such substances on the real estate investments made by ARA on behalf of its clients could adversely affect its ability to sell such investments or to borrow using such investments as collateral.

Possibility of Future Terrorist Activity

The properties in which ARA invests on behalf of its clients may be located in or near major metropolitan areas of the United States. Such properties, or the areas in which they are located, could be subjects of future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy, thus harming leasing demand for and the value of certain properties. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or the properties in which ARA has invested client funds. These events may have a negative effect on the business and performance results of the properties in which ARA has invested client funds, by raising insurance premiums and deductibles and limiting available insurance coverage.

Risks Related to Investments in Pooled Investment Vehicles

Investments in pooled investment vehicles involve risks that a direct investment in real estate may not involve. For example, investors in a pooled investment vehicle are not able to make any investment or other decision on behalf of the pooled investment vehicle and have no right to take part in the management of, or otherwise control, the business of the pooled investment vehicle. In addition, if an investor in a pooled investment vehicle fails to pay installments of its capital commitment when due, and the contributions made by non-defaulting investors are inadequate to cover the defaulted capital contribution, the pooled investment vehicle may be unable to meet its obligations when due.

Item 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of the firm or the integrity of the firm's management in this item. ARA has no such legal or disciplinary events to report.

Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registration as a Broker-Dealer

ARA is not registered, and does not have an application pending to register, as a broker-dealer. None of ARA's management persons are registered as a broker-dealer. None of ARA's management persons have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Registration as a Futures Commission Merchant

ARA is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any such entity. None of ARA's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor. None of ARA's management persons are associated with any such entity.

Material Relationships

There are currently no relationships or arrangements that are material to ARA's advisory business or to ARA's clients that ARA or any of ARA's management persons have with any other businesses providing services to ARA's clients or its pooled investment vehicles. For example, none of the property management firms, real estate brokers, accountants, appraisers or banks utilized to provide services are affiliated with ARA. In addition, none of ARA's management persons have an ownership interest in any such service providers.

ARA has the right under the terms of many of its investment management agreements to have services required in connection with the management of the account or pooled investment vehicle performed either by ARA or its affiliates. In the event this should occur in the future, the party performing such services would receive compensation at rates comparable to or less than prevailing rates charged by independent third parties in the locale where the services are performed.

Other Investments

ARA does not recommend or select other investment advisers who would have a direct relationship with its clients. ARA has selected other unaffiliated investment advisers who on occasion may manage Short-Term Investments made in cash equivalents. ARA does not receive compensation directly or indirectly from the investment advisers engaged to manage Short-Term Investments. One of these investment advisors is affiliated with a bank used by ARA, and used in connection with investments made by ARA on behalf of its clients and its pooled investment vehicles. ARA does not have any other business relationships with the investment advisors engaged to manage the Short-Term Investments or any business relationships with other investment advisers that could create a material conflict of interest.

Item 11: CODE OF ETHICS; PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

ARA's Code of Business Conduct and Ethics ("Code") sets forth the standards of business conduct ARA expects from each of its officers, directors and employees. The Code requires, among other things, that all employees:

- comply with applicable federal securities laws, including those related to insider trading;
- protect confidential or proprietary client information;
- recognize their fiduciary duty to ARA's clients; and
- place ARA's clients' interests before their own in any business dealing.

ARA does not invest, on behalf of ourselves or our clients, in securities that trade on exchanges. Nevertheless our Code contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions. The Code requires (i) preclearance of certain personal investment transactions, (ii) quarterly reporting of all non-exempt personal securities transactions that were transacted during the quarter, (iii) filing of initial and annual holdings reports; (iv) a prohibition against personally acquiring securities in an initial public offerings without prior approval, (v) a prohibition against purchasing securities of a private placement without prior approval, and (vi) a prohibition against acquiring any security which is subject to firm wide restriction without prior approval.

Monitoring of employee personal securities transactions in handled by ARA's Compliance personnel and any required and related records are maintained by the Compliance department.

ARA has also established policies and procedures related to political contributions that are designed to comply with applicable federal, state and local law. The policy requires the reporting and preclearance of political contributions made by an employee which exceed certain thresholds and prohibits certain other political contributions by an employee to allow ARA to comply with federal, state and local laws. Employees certify compliance with the policy on a quarterly basis.

A copy of ARA's Code will be provided free of charge to any client or prospective client or investor who requests a copy.

Recommendations Regarding Securities

Except for its recommendation that potential investors invest in the pooled investment vehicles sponsored by ARA, neither ARA, nor any employee or affiliate of ARA, recommends to clients or potential clients securities in which ARA or an employee or affiliate has a material financial interest. ARA does not buy or sell Short-Term Investments for client accounts in which ARA or an employee or affiliate has a material financial interest. ARA does not acquire real estate for a client account or pooled investment vehicle in which ARA or an employee or affiliate has a material financial interest.

Co-Investment

ARA, an affiliate of ARA, or an employee of ARA, may invest in certain of the pooled investment vehicles sponsored by ARA along with the investors. In addition, ARA, an affiliate, or an employee may invest directly in the portfolio investments made by these investment vehicles and certain employees have done so in the past in immaterial amounts. Additional pooled investment vehicles may be sponsored by ARA in the future that may also allow for that possibility. Although such co-investment could give rise to a conflict of interest under certain circumstances, ARA believes that any such employee co-investment is more likely to further align the interests of ARA and its employees with those of ARA's clients and the investors in the commingled funds sponsored by ARA than to create any conflict of interest. Appropriate disclosures will be made and actions taken, in the event of any co-investment, to mitigate the risk that a conflict could occur.

Any purchase or sale of any real estate on behalf of the firm's clients or the pooled investment vehicles must be approved by ARA's Investment Committee in accordance with procedures designed to provide the Investment Committee members with sufficient time and information to make a fully informed decision. This requirement minimizes the risk that a decision would be made based on any criteria other than the client's best interests.

Trading

ARA does not invest in publicly traded securities on behalf of its clients other than Short-Term Investments. As a result, except potentially for Short-Term Investments, neither ARA nor any of its employees or affiliates could encounter a situation where ARA, or its employees or affiliates was considering an investment in the same securities that ARA had recommended to a client. Either ARA or its affiliates have co-invested in certain of the pooled investment vehicles sponsored by the firm in the manner specified in the governing documents of such vehicles. If any of ARA's employees elect to invest directly in interests in the open-end pooled investment vehicles sponsored by ARA, although ARA may elect to waive their asset management fee obligations, in other respects they would invest on the same terms as any other investor. Thus, there would be no conflicts of interest created by such an investment.

Item 12: BROKERAGE PRACTICES

Factors Considered in Selecting Broker-Dealers – Research and Other Soft-Dollar Benefits

ARA does not use securities brokers in connection with its real estate advisory activities. However, ARA may invest clients' funds held but not yet invested in real estate, funds generated from the management of properties, or proceeds from the sale of real estate pending distribution to the client in Short-Term Investments on behalf of its clients. These investments are strictly incidental to ARA's real estate advisory services. ARA uses the services of large commercial banks to invest in money market funds that invest primarily in such Short-Term Investments. ARA does not receive research or soft-dollar benefits in connection with these investments.

Brokerage for Client Referrals

ARA does not recommend broker-dealers to its clients or utilize broker-dealers in connection with the real estate transactions in which it engages on behalf of its clients.

Directed Brokerage

ARA does not recommend, request or require that a client direct ARA to execute transactions through a specified broker-dealer. Nor does ARA permit a client to direct brokerage. Broker-dealers are not utilized by ARA in connection with ARA's advisory business. Broker-dealers may, however, be used by investment advisors engaged to invest in Short-Term Investments.

Aggregation of Trades

Other than minimal investment of excess cash in Short-Term Investments, ARA does not purchase or sell publicly-traded securities for its client's accounts.

Item 13: REVIEW OF ACCOUNTS

Periodic Review of Client Account

ARA's portfolio managers are responsible for periodically reviewing each separate account and pooled investment vehicle in order to evaluate and confirm compliance with the terms of the investment guidelines and investment management agreements applicable to such accounts and pooled investment vehicles. This review generally occurs quarterly. This review may occur more frequently when significant investment decisions are made related to an account or a pooled investment vehicle.

Account responsibilities are allocated based on the complexity of each of the portfolios. As a result, ARA has not established a limit on the number of accounts or the maximum market value for which a portfolio manager may be responsible.

Real estate investments held by separate accounts and pooled investment vehicles are also reviewed by ARA's Investment Committee, or a subcommittee thereof, on a periodic basis. For example, the Investment Committee, or a subcommittee thereof, will receive an information briefing regarding the business plan and the budget for each asset and portfolio at least on an annual basis. The financial statements of certain of the firm's separate accounts and each of the firm's pooled investment vehicles are reviewed on an annual basis by independent certified public accountants. Furthermore, real estate investments are appraised by independent real estate appraisers on a periodic basis, at least as frequently as established by the investment guidelines applicable to the client or pooled investment vehicle.

ARA has established a disciplined external and internal valuation and appraisal process focused on providing its clients with accurate valuations reflective of all current market and property factors. Each property held in the pooled investment vehicles is valued every quarter and is valued externally by an outside independent appraiser at least annually. With respect to separate account portfolios, the internal and external valuation frequency is dictated by the specific client's investment guidelines.

Special Client Account Reviews

In addition to the quarterly review of client accounts, ARA will review the condition of a particular client account when a client makes a specific request or a significant investment decision is being made related to such account. For example, such a review will occur when a new real estate investment is being contemplated or an asset owned by the account is being sold. Such a review may also occur when it is time to renew or pay off any debt on an asset held by the account. Other significant events, such as a natural disaster that impacts the condition of the real estate asset, industry/market developments or statutory/regulatory changes, may also trigger such a review.

Client Reports

ARA's separate account clients receive written quarterly status and activity reports, including unaudited financial statements, and a calculation of income, appreciation and total return (gross and net of fees). In addition, ARA participates in face-to-face meetings with its clients as requested by such clients.

Investors in the pooled investment vehicles sponsored by ARA receive written quarterly status and investment activity reports, including unaudited financial statements, and a calculation of income, appreciation and total returns (gross and net of fees) for at least the first three quarters of a calendar year. In addition, such investors receive, on an annual basis, copies of the audited financial statements. ARA participates in face-to-face meetings with such investors upon receipt of a request to do so.

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Item 14: CLIENT REFERRALS AND OTHER COMPENSATION

ARA does not receive an economic benefit from anyone other than its clients for providing investment advice or other advisory services.

ARA does not currently have any relationship with any third-party firm or individual who is not an employee of ARA for the purpose of marketing the firm or any of its products for compensation. Neither ARA, its shareholder, nor any of its employees, officers, or directors directly or indirectly compensate any person who is not an employee of ARA for new client referrals. However, ARA may in the future elect to enter into an arrangement with, and compensate, placement agents in return for referrals of investors in the pooled investment vehicles. Any compensation paid specifically for such referrals would be fully disclosed to affected investors and would fully comply with the requirements of Rule 206(4)-3 under the Act, if applicable, and the disclosure requirements in the Form ADV.

Item 15: CUSTODY

Although ARA does not act as a qualified custodian, ARA has custody of client funds, because ARA has discretionary authority over the funds held in the bank accounts it has established on behalf of its clients. With the exception of the investors in the pooled investment vehicles managed by ARA, who receive audited annual financial statements from third-party auditors engaged by the pooled investment vehicles, clients receive account statements on a monthly basis directly from the qualified custodian bank holding such funds. Clients are encouraged to review carefully the account statements received from these custodian banks.

Item 16: INVESTMENT DISCRETION

The terms of the investment management agreements entered into between ARA and its separate account clients and the pooled investment vehicles typically grant ARA full discretion to make investments on behalf of the client subject to investment guidelines that may be established by the clients and incorporated in the agreement. As a result, subject to such guidelines and established limits, ARA may determine what assets to purchase, when to sell the assets and how to manage the asset. ARA's management discretion includes the ability to make decisions related to capital improvements and leverage on the assets.

In certain instances, ARA has contracted with a bank or an independent registered investment adviser to invest client funds in Short-Term Investments. Each such agreement grants the bank or advisor discretionary authority over such investments subject to investment guidelines established by ARA. In other instances, ARA has placed funds directly in Short-Term Investments. Such Short-Term Investments are made pending investment of such funds in real estate or distribution to clients.

ARA retains discretion with regard to the selection of the Short-Term Investments to be bought and sold, and with regard to their amounts, within the framework described above.

In selecting firms to engage and grant discretion for purposes of the investment of client funds in Short-Term Investments, ARA considers a firm's experience and financial condition. In determining the reasonableness of their fees, ARA considers the quality of their services and the level of fees of similarly qualified competing firms.

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Item 17: VOTING CLIENT SECURITIES

ARA does not have, and will not accept, authority to vote client securities. ARA does not invest in publicly-traded securities on behalf of its clients, except for certain Short-Term Investments that are cash equivalents with no voting rights. On behalf of its clients, ARA may, on occasion, acquire certain privately-traded securities when it acquires the shares or membership interests in an entity formed to hold title to real estate, rather than making a direct investment in real estate on behalf of its clients. However, such entities are generally wholly owned by ARA's clients or the pooled investment vehicle managed by ARA and ARA has discretion to vote such securities. Since ARA does not hold any publicly-traded securities which possess voting rights on behalf of its clients, ARA does not have, and will not accept, authority to vote proxies related to securities held on behalf of its clients. Thus, it has not been necessary for ARA to establish policies related to delivery of proxies and other solicitation materials related to securities.

Item 18: FINANCIAL INFORMATION

In general, ARA does not require that its clients prepay the fees due to ARA. Certain clients that have engaged ARA for a short-term consulting services assignment may be obligated to pay a portion of the engagement fee upon execution of the consulting services agreement with the remainder due at pre-determined stages during the completion of the assignment. With the exception of such engagements, ARA does not expect to require the prepayment of its fees at any time in the future.

In most instances, ARA has discretionary authority over client funds. ARA is not currently aware of any financial condition that may impact ARA that is reasonably likely to impair ARA's continued ability to meet its contractual commitments to its clients.

ARA has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

ARA is registered with the SEC and is not required to be registered at the State level.

Performance Department
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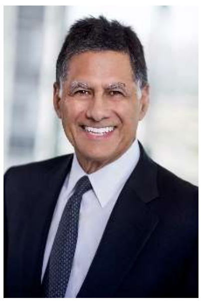

Stanley L. Iezman
Chairman and
Chief Executive Officer

March 20, 2017

Item 1: Cover Page

This Brochure Supplement provides information about **Stanley L. Iezman** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

American Realty Advisors
801 North Brand Boulevard
Suite 800
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818.545.1152
818.545.8460 fax

www.americanreal.com

Item 2: Education Background and Business Expertise

Stanley L. Iezman, *Chairman and Chief Executive Officer*

Mr. Iezman, born 1947, is responsible for the strategic planning and direction of American, a SEC registered investment adviser and a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") for institutional investors, and is a member of American's Investment and Management Committees. Mr. Iezman has directed the acquisition, structuring and management of approximately $10 billion of real estate located throughout the United States, is a noted speaker on real estate investment, and has authored numerous articles on related issues for real estate, pension and legal industry publications. Mr. Iezman is an Adjunct Professor at the University of Southern California's Sol Price School of Public Policy, where he teaches real estate asset management in the Master of Real Estate Development Program and is a member of the Executive Committee of the USC Lusk Center for Real Estate. In addition, he serves on the Planning Committee for the USC Real Estate Law and Business Forum, as well as on the USC Hillel Board of Directors. Mr. Iezman is actively involved in The Urban Land Institute, where he sits on the Board of Governors for the ULI Foundation and participates in the Industrial & Office Park Development Council. Additionally, he serves on the International Council of Shopping Centers, and is a member of the following: National Association of Real Estate Investment Managers; Pension Real Estate Association; International Foundation of Employee Benefit Plans; Los Angeles County Bar Association; Real Estate Roundtable; and American Bar Association. For ten years, Mr. Iezman was the Chair of the New York University Real Estate Institute's Annual "Conference on Pension Fund Investment in Real Estate". Mr. Iezman received his B.A. from the University of California, Santa Barbara and his J.D. from the University of Southern California School of Law.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Iezman.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

The firm's Board of Directors, on which Mr. Iezman currently serves, is responsible for the supervision of Mr. Iezman's activities on behalf of the firm. Mr. Darling, as the firm's President, is knowledgeable as to advice Mr. Iezman provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments, require the approval of the firm's Investment Committee. The individual members of the firm's Board of Directors, and Mr. Darling, can be contacted at the phone number shown on the cover of this Brochure Supplement.

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Scott W. Darling
President / Executive Managing Director, Portfolio Management

March 20, 2017

Item 1: Cover Page

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Item 2: Education Background and Business Expertise

Scott W. Darling, *President/Executive Managing Director, Portfolio Management*

Scott Darling, born 1957, is the President of the firm and is the Executive Managing Director for the firm's Portfolio Management Team. Mr. Darling is responsible for the portfolio management of American's pension fund clients, and the implementation of their investment strategies. Mr. Darling is also a member of the firm's Investment and Management Committees. He has over 36 years of experience in the acquisition, management, and disposition of income-producing investment real estate. Prior to joining American, Mr. Darling was employed by the Resolution Trust Corporation. At RTC, he was Director of Asset Management and Sales for the California Office, where he was the senior asset officer, responsible for the management and sale of over $60 billion in assets from failed savings and loans. Mr. Darling graduated from Florida State University with a B.S. in Real Estate and Finance, and received his J.D. from the University of Southern California.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Darling.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, is responsible for supervising Mr. Darling's advisory activities. Mr. Iezman is generally familiar with the advice Mr. Darling provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Iezman can be contacted at the phone number shown on the cover of this Brochure Supplement.

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Item 1: Cover Page

Kirk V. Helgeson
Chief Investment Officer

March 20, 2017

This Brochure Supplement provides information about **Kirk V. Helgeson** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement

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Item 2: Education Background and Business Expertise

Kirk V. Helgeson, *Chief Investment Officer*

Kirk Helgeson, born 1969, is the Chief Investment Officer of the firm. Mr. Helgeson is responsible for overseeing all acquisition/disposition activity for the firm's investment portfolios. In addition, Mr. Helgeson manages the development, implementation and oversight for American's value-added strategy, through one of its open-end pooled investment vehicles as well as through separate accounts and closed-end pooled investment vehicles. Mr. Helgeson is the Chairman of the firm's Investment Committee and a member of the Management Committee. Mr. Helgeson has over 26 years of diversified real estate experience that encompasses the sourcing, structuring and underwriting of new equity and debt investments, as well as the management of existing assets and portfolios. Prior to joining American, Mr. Helgeson worked for AFP Properties USA, Inc. as the Investment Manager. At AFP, Mr. Helgeson was responsible for all aspects of the acquisition and disposition process and asset management for a multi-class real estate portfolio in excess of $450 million. Before AFP, Mr. Helgeson was a Senior Appraiser for Eichel Inc., where he was responsible for completing complex appraisal and consulting assignments encompassing a wide range of property types. Mr. Helgeson graduated from the University of Southern California with a B.S. in Business Administration (Real Estate Finance Emphasis). Mr. Helgeson received his M.B.A. from the University of Southern California.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Helgeson.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, is responsible for supervising Mr. Helgeson's advisory activities. Mr. Iezman is generally familiar with the advice Mr. Helgeson provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Iezman can be contacted at the phone number shown on the cover of this Brochure Supplement.

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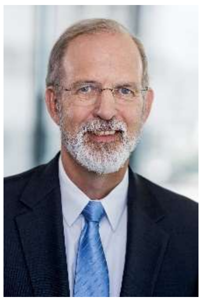

Jay Butterfield
Managing Director,
Fund Operations

March 20, 2017

Item 1: Cover Page

This Brochure Supplement provides information about **Jay Butterfield** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

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Item 2: Education Background and Business Expertise

Jay Butterfield, *Managing Director, Fund Operations*

Jay Butterfield, born 1954, is the Managing Director responsible for overseeing the Fund level operations of American's pooled investment vehicles and separate accounts and for directing marketing and client service functions for American's real estate products and services to the institutional investment community. Mr. Butterfield is also a member of the firm's Management Committee. He has over 37 years of experience in working with institutional investors in helping them meet their investment needs. Prior to joining American, Mr. Butterfield was the Vice-President at Prudential Investments, where he represented the firm's multi-asset investment capabilities to Taft-Hartley plans, public employee retirement systems and corporate plan sponsors in the Western United States and Canada. Mr. Butterfield graduated from the University of California, Berkeley with a B.A. in Economics and received his M.A. in Economics from the University of California, Los Angeles. He has been a CFA® charter holder since 1984.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Butterfield.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, is responsible for supervising Mr. Butterfield's advisory activities. Mr. Iezman is generally familiar with the advice Mr. Butterfield provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Iezman can be contacted at the phone number shown on the cover of this Brochure Supplement.

AMERICAN REALTY ADVISORS

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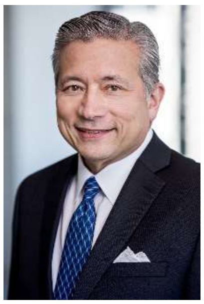

Paul Vacheron
Managing Director,
Asset Management

March 20, 2017

Item 1: Cover Page

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Item 2: Education Background and Business Expertise

Paul Vacheron, *Managing Director, Asset Management*

Paul Vacheron, born 1960, is the Managing Director of the firm's Asset Management Team. Mr. Vacheron is responsible for directing all aspects of the organization's nationwide asset management operations. Within this capacity, Mr. Vacheron is actively involved with the management, leasing, financing, and disposition of assets within the firm's real estate investment portfolio. Mr. Vacheron is also a member of the firm's Investment and Management Committees. Mr. Vacheron has over 32 years of experience in the real estate industry. Prior to joining American, Mr. Vacheron held the position of Senior Vice President - Asset and Portfolio Management for PM Realty Advisors, where he served as Co-Head of Asset Management for the company's national real estate investment portfolio, as well as Portfolio Manager for several pension fund separate accounts. Previously, he held the position of Senior Vice President - Asset and Portfolio Management for KBS Realty Advisors, where he served as Portfolio Manager for pooled investment vehicles and separate accounts, as well as handling asset management responsibilities within that company's real estate investment portfolio. Mr. Vacheron graduated from the University of California, Berkeley with a B.S. in Accounting and Finance, and received an M.B.A. from the University of California, Los Angeles. Mr. Vacheron is a Certified Public Accountant, inactive, in the state of California.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Vacheron.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, is primarily responsible for supervising Mr. Vacheron's advisory activities. Mr. Iezman is generally familiar with the advice Mr. Vacheron provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Iezman can be contacted at the phone number shown on the cover of this Brochure Supplement.

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Daniel S. Robinson
Managing Director,
Finance / Investment
Consulting

March 20, 2017

Item 1: Cover Page

This Brochure Supplement provides information about **Daniel S. Robinson** supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

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Item 2: Education Background and Business Expertise

Daniel S. Robinson, *Managing Director, Finance/Investment Consulting*

Daniel Robinson, born 1962, is the Managing Director of the firm's Finance/Investment Consulting division. Mr. Robinson leads American's consulting division, which provides real estate consulting services to pension plans throughout the United States. These services include Qualified Professional Asset Manager services provided to ERISA governed pension plans. Mr. Robinson oversees the origination, underwriting, and management of American's senior mortgage investment portfolios and manages all borrowing activity for the firm. Mr. Robinson is also a member of the firm's Investment Committee. Mr. Robinson has over 31 years of experience in the real estate industry. Prior to joining American in 1993, Mr. Robinson held senior positions at American Real Estate Group and Metropolitan Life. Mr. Robinson graduated from Utah State University with a B.S. in Economics, and received his M.B.A. from Brigham Young University.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Robinson.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, and Mr. Darling, the firm's President, are primarily responsible for supervising Mr. Robinson's advisory activities. Both Mr. Iezman and Mr. Darling are generally familiar with the advice Mr. Robinson provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments, require the approval of the firm's Investment Committee. Both Mr. Iezman and Mr. Darling can be contacted at the phone number shown on the cover of this Brochure Supplement.

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Chris Macke
Managing Director, Research and Strategy

March 20, 2017

Item 1: Cover Page

This Brochure Supplement provides information about **Chris Macke** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

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Item 2: Education Background and Business Expertise

Chris Macke, *Managing Director, Research and Strategy*

Chris Macke, born 1969, is the Managing Director of the firm's Research and Strategy Group and is responsible for leading the firm's research efforts. Mr. Macke works closely with American's Investment and Portfolio Management Teams in developing investment analysis to support acquisitions and strategy implementation for the firm's commingled funds. In addition, Mr. Macke serves as a member of the firm's Investment Committee. Prior to joining American, he was a Senior Research Strategist with CB Richard Ellis Global Research & Consulting as part of the firm's macroeconomic, property market, and capital market outlook and strategy effort. Mr. Macke's previous real estate consulting experience includes advising large institutional investors and mid-size private equity and operating companies, as well as working with regulatory agencies including the U.S. Federal Reserve and U.S. Treasury Department. He is currently a contributor to the Federal Reserve's Beige Book and a member of the PREA Research Advisory Council. Mr. Macke holds a B.A. in Political Science from the University of Southern California and an M.B.A. from the Kelley School of Business at Indiana University.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Macke.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Iezman, the firm's Chairman and Chief Executive Officer, and Mr. Darling, the firm's President, are primarily responsible for supervising Mr. Macke's advisory activities. Both Mr. Iezman and Mr. Darling are generally familiar with the advice Mr. Macke provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Both Mr. Iezman and Mr. Darling can be contacted at the phone number shown on the cover of this Brochure Supplement.

AMERICAN REALTY ADVISORS

Form ADV Part 2B - Brochure Supplement

Michael Gelber
Senior Director, Asset Management

March 20, 2017

Item 1: Cover Page

This Brochure Supplement provides information about **Michael Gelber** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

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Performance Department
Mar 22, 2017 14:35

Item 2: Education Background and Business Expertise

Michael Gelber, *Senior Director, Asset Management*

Michael Gelber, born 1965, is a Senior Director, Asset Management at American who is responsible for managing a portfolio of commercial properties located in the Western United States. Mr. Gelber is also a rotating member of the firm's Investment Committee. Prior to joining American, Mr. Gelber was Vice President of Titan Real Estate Investment Group, where he was responsible for asset management, financial underwriting and due diligence coordination for value-added and stabilized real estate investments. Prior to Titan, Mr. Gelber was Vice President at Insignia Financial Group, where he handled asset management oversight for a 1.7 million square foot commercial real estate portfolio. In addition to asset management oversight, Mr. Gelber was responsible for financial due diligence of West Coast acquisitions. Prior to his work in acquisitions and asset management, Mr. Gelber was Senior Property Manager at Insignia where he directed the management and leasing operations for several high rise office buildings in Los Angeles serving both institutional and private clients. Mr. Gelber is a registered real estate sales person in the state of California, and serves as Chairman of the Board for Koll Center Irvine Southwest Owners Association and Director of the Sierra Park Owners Association. Mr. Gelber graduated from the University of California, Los Angeles with a B.A. in Psychology.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Mr. Gelber.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

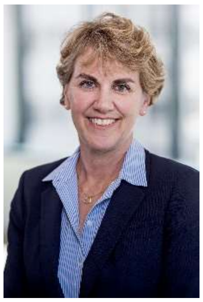
Item 6: Supervision

Mr. Vacheron, the firm's Managing Director, Asset Management, is primarily responsible for supervising Mr. Gelber's advisory activities. Mr. Vacheron is generally familiar with the advice Mr. Gelber provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Vacheron can be contacted at the phone number shown on the cover of this Brochure Supplement.

Performance Department
Mar 22, 2017 14:35

Form ADV Part 2B - Brochure Supplement

Item 1: Cover Page



Martha Shelley
Senior Portfolio Manager

March 20, 2017

This Brochure Supplement provides information about **Martha Shelley** that supplements the American Realty Advisors brochure. You should have received a copy of that brochure. Please contact **Mr. Jay Butterfield at 818.409.3243 or butterfield@americanreal.com** if you did not receive American Realty Advisors' brochure or if you have any questions about the contents of this supplement.

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Item 2: Education Background and Business Expertise

Martha Shelley, *Senior Portfolio Manager*

Martha Shelley, born 1962, is a Senior Portfolio Manager for American Realty Advisors. Ms. Shelley is responsible for assisting in the development and implementation of portfolio management, acquisition, and disposition activities of the American Core Realty Fund, focusing primarily on the firm's assets located in the Eastern half of the United States. Ms. Shelley is also a rotating member of the firm's Investment Committee. Prior to joining American, Ms. Shelley was a Senior Vice President and Portfolio Manager with OneWest Bank, where she was responsible for supervising a team of 20 portfolio management professionals in the on-going monitoring and management of the Bank's $7 billion wholesale loan portfolio. Prior to that, Ms. Shelley was Principal/Owner of Capstone Partners, LLC, where she was involved with all aspects of the company's commercial real estate development, investment and advisory business. Before that, she was Executive Director with Morgan Stanley Real Estate Advisors, Inc. and Principal with Lend Lease Real Estate Investments, Inc. in San Francisco, where she was responsible for new equity investments. Ms. Shelley graduated from the University of Nevada, Reno with a B.S. in Biology.

Item 3: Disciplinary Information

There are no legal or disciplinary events to disclose concerning Ms. Shelley.

Item 4: Other Business Activities

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

Mr. Darling, the firm's President, is primarily responsible for supervising Ms. Shelley's advisory activities. Mr. Darling is generally familiar with the advice Ms. Shelley provides to the firm's clients. Investment recommendations, or significant decisions with respect to investments made by the firm on behalf of the firm's clients, require the approval of the firm's Investment Committee. Mr. Darling can be contacted at the phone number shown on the cover of this Brochure Supplement.

Investment Performance Services, LLC

GTAA Commingled Quarterly Compliance Checklist
Period Ending March 31, 2017

To: First Eagle Investment Management

Re: Mid-Atlantic UFCW and Participating Employers Pension Fund - GTAA First Eagle Global Value Fund, LP (the "Fund")

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the fund's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

Yes

David P. O'Connor joined the Firm as General Counsel and Head of Legal and Compliance effective January 4, 2017.

Jim Barling joined the Firm as Deputy Chief Compliance Officer effective January 9, 2017.

David Wang joined the Global Value Team as a research analyst effective January 9, 2017.

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **<u>If you are not required to file form ADV, please explain why.</u>**

No

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

Yes

FEIM and its affiliates are subject to periodic examinations and investigations by various regulatory authorities.

In December 2015, and subsequently in December 2016, the Employee Benefits Security Administration of the Department of Labor required FEIM to provide documents and records relating to a broad range of requests. The DOL closed their investigation in March 2017 and informed the Firm that no action will be taken.

As previously noted, a shareholder suit has been filed against FEIM alleging that the investment advisory fees charged breached its fiduciary duty to the First Eagle Global Fund and the First Eagle Overseas Fund. FEIM believes the case to be absolutely without merit; that the allegations are factually incorrect; and is contesting the suit strongly.

FEIM and certain private funds it managed were listed among the 32,000+ former shareholder defendants in lawsuits related to the Tribune Company's LBO in 2007, and subsequent bankruptcy. We believe virtually all persons who were shareholders of the Tribune Company in 2007 and tendered or exchanged shares of Tribune stock were initially named as defendants.

6.) Do you verify the Fund and has been during the past quarter, in compliance with the Fund's guidelines and/or offering document governing the management of the investment?

Yes

7.) With respect to the Fund, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

To the best of our knowledge we have sufficient insurance coverage.

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Jacqueline Dobbs

Signature:

Title: Vice President, Director of Compliance
Firm: First Eagle Investment Management
Date: April 7, 2017