

ADELANTE CAPITAL MANAGEMENT LLC

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Firm Brochure (Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Adelante Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at: 510-986-2100, or by email at: info@adelante.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Adelante Capital Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov

The fact that Adelante Capital Management LLC is registered as an investment adviser with the SEC does not imply a certain level of skill or training.

March 29, 2012

Item 2: Material Changes

There are no material changes since the last annual brochure dated March 31, 2011.

Item 3: Table of Contents

Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business.....	1
Item 5: Fees and Compensation.....	2
Item 6: Performance-Based Fees.....	3
Item 7: Types of Clients.....	4
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9: Disciplinary Information.....	8
Item 10: Other Financial Industry Activities and Affiliations.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12: Brokerage Practices.....	11
Item 13: Review of Accounts.....	13
Item 14: Client Referrals and Other Compensation.....	14
Item 15: Custody.....	15
Item 16: Investment Discretion.....	16
Item 17: Voting Client Securities.....	17
Item 18: Financial Information.....	19

Item 4: Advisory Business

Description:

Adelante Capital Management LLC (“Adelante”) is an employee-owned, boutique investment manager, specializing in publicly traded real estate securities. Formed and SEC registered in 1993, the firm began managing its first institutional assets in 1994. Adelante is a dedicated asset manager and as such, 100% of its revenues come from these activities.

ACM Acquisition LLC (“ACM”), the parent and sole Member of Adelante, derives essentially all of its revenue from Adelante’s asset management activities. Michael A. Torres, Adelante’s Chief Executive Officer and portfolio manager, and members of his family own 90% of ACM. The remainder of the outstanding interests in ACM are owned by Adelante personnel.

Services:

Adelante’s investment products and services relate exclusively to the public real estate securities market. Adelante provides advisory services primarily with respect to investments in the common and preferred shares of equity real estate investment trusts (“REITs”) and real estate operating companies. Adelante provides discretionary management to a client base that currently consists primarily of public and corporate pension funds, as well as foundations and endowments, and individual investors. Client assets are managed through a variety of investment vehicles including separate accounts, commingled funds and separately managed account programs.

Customized Solutions:

Adelante will build customized separate account solutions based on the particular needs of a client.

Wrap Fee Programs:

Adelante provides portfolio management services within several wrap fee programs.

Adelante manages wrap fee program accounts to mirror its institutional offerings however Adelante executes portfolio transactions for wrap fee accounts only on a monthly basis, although it may do so more frequently at its discretion, i.e. due to market conditions, and wrap fee accounts cannot participate in IPOs.

For its advisory services, Adelante receives a portion of the fee paid by wrap program participants.

Assets under Management:

As of December 31, 2011, Adelante manages:	Discretionary:	\$ 2,141,949,073
	Non-discretionary:	\$ 235,667,954

Item 5: Fees and Compensation

The following fee schedule is used for Separate Accounts, subject to a minimum annual fee of \$25,000:

Domestic:

<u>Amount Managed</u>	<u>Fee (Annualized Rate)</u>
First \$25 million	0.65% of assets
Next \$25 million	0.60% of assets
Next \$25 million	0.55% of assets
Next \$25 million	0.50% of assets
Negotiable thereafter	

Global:

<u>Amount Managed</u>	<u>Fee (Annualized Rate)</u>
First \$50 million	0.80% of assets
Next \$50 million	0.70% of assets
Next \$50 million	0.65% of assets
Above \$150 million	0.60% of assets

Actual fees and minimum fees may be negotiated and may vary due to the particular circumstances of each client, additional or differing levels of servicing, or as otherwise agreed with specific clients. Fees are generally computed and billed quarterly in arrears and are generally calculated based on the monthly average value or quarter-end value of assets under management during the applicable quarter. Fees can be deducted from account assets or the client can be billed for fees incurred.

Adelante receives advisory fees for managing the commingled pools it sponsors and for providing investment management services for wrap fee programs; in each instance Adelante's fee is described in the materials relating to the particular commingled pool or wrap fee program. A client will also incur brokerage and other transaction costs that are payable to third parties. (See Item 12 for a discussion of brokerage practices.) Depending on the type of client and account, there may be additional third party expenses for custodial fees, wire transfer and electronic fund fees, audit fees and other expenses incurred in the course of the investment and administrative activity associated with the particular client account.

Item 6: Performance Based Fees and Side-by-Side Management

Adelante offers performance based fee arrangements and currently has such fee arrangements with certain clients. When Adelante is responsible for accounts that have different advisory fees, the difference in fees may create an incentive for Adelante to favor one account over another, for example, in terms of access to investment opportunities. This conflict may be heightened where an account is subject to a performance-based fee. Similar conflicts can exist when Adelante advisory personnel hold interests in Adelante's commingled funds.

As part of its compliance program, Adelante has adopted policies and procedures designed to address the potential conflicts of interest described above. In the event there is an apparent conflict of interest among different accounts, our objective will be to ensure all transactions are executed in a manner that is deemed fair and equitable to the accounts involved. The firm has policies and procedures related to the allocation of trades, including bundles trades and limited investment opportunities, designed to mitigate this potential conflict of interest and conducts periodic testing to ensure all client accounts are being managed in a fair and equitable manner. (See Item 12 for additional disclosure.)

Item 7: Types of Clients

Adelante clients include public pension plans, corporate pension plans, foundations, endowments, charitable organizations and individuals.

The typical minimum for a separate account is \$25 million. The minimum for wrap account relationships varies depending on the particular program. Minimums for Adelante's commingled funds vary depending on the fund. For funds and separate accounts, Adelante may, in its discretion, revise the minimums or waive them on an individual basis, at any time.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Adelante utilizes a bottom-up fundamental approach in our security selection process with a primary focus on the value of the underlying assets (Net Asset Value or “NAV”) of each company. The firm's investment strategies are managed on a team basis. The firm's portfolio managers, research analysts and in-house trader comprise the Investment Committee, which meets regularly to review events occurring in the investment universe and in the capital markets. Decisions on portfolio construction are made based on proprietary research conducted by analysts and share price movements. Approximately 80% of our research is done in-house, used firm-wide, and focuses on individual security analysis.

Adelante investment philosophy is based on the premise that the performance of the underlying real estate will drive company performance and that the best way to select companies is to compare the stock price to the underlying private real estate value (i.e. NAV).

In an effort to provide varied avenues of exposure to the real estate sector and meet the diverse needs of our clients, Adelante has created portfolios based on three core strategic allocations to real estate including:

- Domestic real estate securities
- Global real estate securities
- Income producing real estate securities

PRINCIPAL RISK FACTORS

The principal risks of investing in the Adelante strategies are the risks generally associated with investing in stocks and the risks specific to investing in the real estate industry.

Risk of Loss of Capital: The performance of securities in which Adelante invests, and therefore the value of client accounts, will be subject to many factors over which Adelante may have limited or no control. The possibility of loss of capital will exist, and prospective clients should not invest unless they can bear the consequences of such loss.

General Economic and Market Conditions: General economic or market conditions may adversely affect the investments made by Adelante. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions thereof, may restrict the availability of suitable investment opportunities for Adelante and/or the opportunity to liquidate any such investments, each of which could prevent Adelante from meeting its investment objectives. A general economic downturn could also result in the diminution or loss of the investments made by Adelante.

Risks of Investing in Stocks: A company's stock price may fluctuate due to circumstances unique to that company. For example, unfavorable business prospects may negatively affect a company's stock price. A stock's price will also tend to rise and fall as a result of investors'

perceptions of the market as a whole. In other words, if the stock market drops in value, the value of a client's portfolio of investments is also likely to decrease in value. To the extent Adelante invests in small and medium capitalization issuers, client accounts may be more volatile than if Adelante restricted its portfolio to large capitalization issuers.

Risks of the Real Estate Industry: The stock prices of companies in the real estate industry are typically sensitive to changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use, and rents, and the management skill and creditworthiness of the issuer. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws, which could negatively affect their value.

Risks of REITs: REITs are dependent upon specialized management skills. They also have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects and/or property assets. Relative to other industries, REITs use of leverage increases interest rate and credit risk. Furthermore, some REITs have relatively small market capitalizations, which tend to increase the volatility of their securities. U.S. domiciled REITs may own properties, or have interest in companies, outside the U.S. and be subject to additional risks associated with foreign markets.

Industry Concentration: Because Adelante concentrates its investments in real estate securities, client accounts may be subject to greater risks and market fluctuations than with an investment manager who represents a broader range of industries. In addition, market performance tends to be cyclical and, in the various cycles, certain industries and investment approaches may fall in and out of favor. If the market does not currently favor the real estate industry or Adelante's investment approach, the client account's gains may not be as big or its losses may be bigger than those of other equity strategies investing in different industries or using different investment approaches.

Non-U.S. Investments: Adelante's global strategy invests in securities issued by non-U.S. companies and to make interim investments in foreign government and other non-U.S. short-term investments. Adelante may invest in U.S. Dollar-denominated securities issued by foreign entities, but may also invest in securities denominated in the local currency. Non-U.S. investments involve certain special risks. These include risks associated with political and economic developments, higher operating expenses, exchange controls, currency fluctuations, foreign withholding and other taxes which may reduce investment return, the reduced availability of public information concerning issuers and the fact that foreign issuers are not generally subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements comparable to those applicable to U.S. chartered issuers. Securities of many non-U.S. issuers may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers. Transaction costs for non-U.S. securities may also be higher than for comparable securities issued in the U.S.

Non-U.S. Currency: Adelante's global strategy invests in securities denominated in foreign currencies however client accounts will be valued in U.S. Dollars. As a result, the value of client accounts may fluctuate with U.S. Dollar exchange rates as well as in response to changes in prices of the account's portfolio securities. Thus, an increase in the value of the U.S. Dollar compared with the currencies in which Adelante makes its investments could reduce the effect of increases and magnify the effect of decreases in the prices of client

account securities in their local markets, with the converse also being true. Adelante can provide no assurances with respect to currency risks in view of the volatile nature of currency markets. Although Adelante may seek to reduce the global strategy's non-U.S. Dollar exposure by implementing hedging strategies with respect to particular investments denominated in non-U.S. currencies (which may present certain risks of their own), Adelante is not obligated to do so and does not expect to implement such hedging strategies in most circumstances. Accordingly, client account performance is likely to be affected by fluctuations in foreign exchange rates.

The aforementioned risks are a summary of many of the important risks a client of Adelante's may encounter but may not include every risk to every prospective client. Before becoming a client of Adelante, investors should consider carefully all of the risk factors impacting their investment and all other information provided by Adelante, including for investors in the commingled funds the offering documents for those funds, before committing capital.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Adelante or its parent serves as managing member or general partner for each of Adelante's commingled funds, as discussed in greater detail in the documentation relating to those funds.

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

Adelante has adopted a code of ethics pursuant to SEC Rule 204A-1 that is designed to ensure its owners and employees place the interest of Adelante's clients first. The code requires Adelante personnel to report and pre-clear certain kinds of securities transactions, limits their ability to make certain kinds of investments and requires them to comply with federal securities laws and report any violations of the code. The code includes provisions addressing the confidentiality of information about client portfolio holdings and investment activity. The code of ethics also addresses matters such as the giving and accepting of gifts and service as a director. A copy of Adelante's Code of Ethics is available upon request by contacting Trisha Stolle (510-986-2121), Adelante Capital Management LLC, 555 12th Street, Suite 2100, Oakland, CA 94607.

As disclosed in Item 10, Adelante or an affiliated entity serves as managing member or general partner of certain private commingled funds Adelante sponsors. In addition, Adelante personnel hold or may hold interests in these commingled funds. As a consequence, Adelante and its personnel may have a conflict of interest in soliciting investors in these funds. To address these conflicts, Adelante has designed compliance policies and procedures that ensure all client accounts are treated in a fair and equitable manner. Adelante's compliance program also incorporates certain review features to assist in mitigating these conflicts.

To avoid conflicts of interest that could arise were Adelante employees to transact in the same securities the firm buys and sells on behalf of clients, Adelante requires that all employees pre-clear transactions in any publicly traded real estate security. All Adelante personnel certify on a quarterly basis that they are in compliance with the Code of Ethics. Adelante's compliance program has review procedures, including transaction monitoring and an annual review, that are designed to ensure that the code of ethics is operating as intended.

Item 12: Brokerage Practices

When Adelante is authorized to select the brokers and dealers to be used for execution of client transactions, it seeks to achieve best execution for those transactions, which generally means the most favorable cost or net proceeds reasonably obtainable under the circumstances. In evaluating whether it believes a broker-dealer (or as appropriate, an electronic communications network or other alternative trading system) can provide best execution for a client transaction, Adelante will take into account a range of considerations, which may include: execution capability; commission rate; responsiveness; the value of the research services provided; financial responsibility; trading experience, reputation and integrity; facilities, equipment, technology and infrastructure; opportunities for price improvement; the speed and likelihood of successful execution; advice on improving order and execution efficiency; reliability in executing trades; recordkeeping and reporting; order timing and size; the nature of the security being purchased or sold; historical and anticipated liquidity, trading volume and price volatility for the security being purchase or sold; current market conditions; market depth, capital commitment and recent order flow; capacity to handle unusual trading volume; access to underwritten offerings and secondary markets; willingness to accommodate special needs such as directed brokerage requests; swift resolution of trade errors and fairness in resolving disputes; confidentiality and discretion; availability of accurate information affecting choices as to the most favorable market center for execution and of technology aids to process such information; knowledge of the other side of a trade, quality and cost of services available from alternative broker-dealers; and market makers and market centers, and the cost and difficulty associated with achieving an execution in a particular market center. On an ongoing basis, Adelante uses a similar process to evaluate the reasonableness of commission rates generally.

When it appears that there is more than one option for best execution, Adelante may take into consideration the fact that a broker-dealer will provide brokerage and/or research services ("soft dollar benefits") as described in Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), which permits an investment adviser to cause a client account to pay a higher commission to a broker that provides brokerage and/or research services than the commission another broker would charge, provided the adviser determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and/or research services provided. Research may include information about specific securities, companies, industries, and economic factors in general. A broker-dealer may provide research services, including analysis, structuring of transactions and/or investment programs that are proprietary to the broker-dealer, or may provide research services from a third party. Brokerage services may include services related to effecting securities transactions including incidental functions such as clearance, custody and settlement. During the last fiscal year, Adelante received the following types of soft dollar benefits: Services including information on the economy in general, the real estate market, sectors within the real estate market, individual companies, statistical information, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate

responsibility issues. These services provide both domestic and international perspectives. The services may also include the provision of access to unaffiliated individuals with expertise in the real estate market, specific sectors, or other related areas. Research services are received primarily in the form of written reports, computer generated services, telephone contacts, and personal meetings with security analysts, corporate and industry executives, and other persons.

To the extent that Adelante receives research in the form of soft dollar benefits it is relieved of the cost of generating or purchasing that research. Research received by Adelante as a soft dollar benefit is generally used by it in connection with some or all of Adelante's client accounts and not just the account or accounts whose commissions generated the benefit. Adelante does not seek to allocate soft dollar research to the clients whose commissions have generated that research. Subject to Adelante's policy of seeking best overall execution, Adelante's clients may pay higher brokerage commissions in connection with trades for their accounts than would otherwise be the case.

Adelante will also place orders with specific brokerage firms if directed to do so by clients or as a feature of a specific account ("directed brokerage"). Directed brokerage typically involves an arrangement under which brokerage commissions serve in part as compensation to the broker for goods and services provided directly to the client. A client account that directs brokerage will not receive any benefits from participating in aggregate trades with other clients (as discussed below) and may otherwise receive less favorable execution than if it had permitted Adelante to place the account's trades.

Under most Wrap Programs, customers are not charged separate commissions or other transaction costs on each trade, so long as the wrap sponsor (or its broker-dealer affiliate) executes the trade. Consequently, Adelante will generally direct trades to the Wrap Program sponsor so as to avoid incurring additional brokerage costs that would otherwise be charged to the client. Orders for these accounts are generally not bunched with orders for non-wrap fee accounts. Given our relationships with multiple wrap platforms, we utilize a sequential rotation when rebalancing wrap fee accounts.

Adelante performs investment management and advisory services for various clients. When Adelante authorizes the purchase or sale of the same securities for more than one client account, it may aggregate (or bundle) the trades for those accounts if it believes it would be in the best interests of each participating account to do so. Similarly, if presented with a limited investment opportunity, such as an initial public offering, Adelante will determine for which client accounts the opportunity is suitable (excluding Wrap fee accounts) based on each client's objectives, policies and restrictions.

Allocations of bundled trades and limited investment opportunities are determined in a manner that is fair and equitable to all participating client accounts. Trades done on an aggregate basis will be allocated to each affected client account on a per-day average price basis. In situations where a bundled order or a limited investment opportunity is only partially filled, Adelante will allocate what shares are executed on a pro-rata basis. There are circumstances where Adelante may deviate from a pro-rata allocation however such exceptions will only be done under the overriding premise of fairness to all client accounts.

Item 13: Review of Accounts

The frequency, level and triggering factors of account reviews will depend on the arrangements made with each client based on the client's portfolio, monitoring capabilities and the nature of the services to be rendered to the client. Quarterly reviews are mandatory for all clients regardless of the nature of the portfolio and the contractual relationship, but reviews may be made monthly.

The review may relate to the entire portfolio, specific portions of the portfolio, or specific transactions or investments. Triggering factors will include changes in market conditions or investment objectives or other arrangements with the client. Quarterly reviews are formal and made in a written presentation, and may be performed in conjunction with oral reviews held at a pre-scheduled meeting.

The primary reviewer of an account is the portfolio manager responsible for the relationship, but may also include research or management personnel. All of the professionals of Adelante will be engaged from time to time in portfolio and account reviews. Typically, the portfolio manager directly responsible for the account relationship will participate in the review along with other professionals within the firm. These professionals include the Chief Executive Officer and members of the Investment Committee.

Instructions relating to performance of reviews with respect to timing, level and scope of reviews will be determined by the aforementioned persons in light of the particular needs and arrangements made with each client. Reviews will encompass comprehensive evaluations of performance to date, including past transactions, policies and strategies, and future policies, strategies and tactics.

Item 14: Client Referrals and Other Compensation

From time to time, Adelante may enter into arrangements with solicitors that refer investment advisory clients in accordance with requirements of Rule 206 (4)-3 under the Investment Advisers Act of 1940. Pursuant to written agreements which will require them to provide potential clients with disclosure regarding the terms of their arrangement with Adelante, the solicitors will be compensated for referring and developing potential investment advisory clients for Adelante or funds advised by Adelante.

Item 15: Custody

All Client assets are held in the custody of unaffiliated broker-dealers or banks.

Separate account clients receive statements at least quarterly from both their custodian as well as from Adelante directly. Each client should carefully review those statements and compare them with one another.

Investors in Adelante's commingled funds generally receive monthly statement directly from Adelante but do not receive statements from the fund custodian. Instead the funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles for distribution within 120 days of the end of each fund's respective fiscal year. Fund investors should carefully review the monthly statements as well as the audited financial statements.

Wrap program clients receive statements from the program sponsor or custodian and should carefully review them.

Item 16: Investment Discretion

Adelante typically has discretionary authority to manage securities accounts on behalf of its clients, but we will take on non-discretionary accounts as well. Adelante is willing to manage accounts on a non-discretionary basis both where all transactions are directed by the client and where Adelante seeks pre-approval of proposed transactions.

Discretionary authority is given to Adelante through an investment management agreement signed by both Adelante and the client.

Item 17: Voting Client Securities

Summary of Proxy Voting Policies and Procedures

Adelante maintains written policies and procedures that are designed to reasonably ensure that Adelante votes proxies in the best interest of clients for which it has voting authority, and describes how Adelante addresses material conflicts between its interests and those of its clients with respect to proxy voting.

Adelante has retained Institutional Shareholder Services ("ISS"), a subsidiary of RiskMetrics Group Inc., as an expert in the proxy voting and corporate governance area. ISS specializes in providing a variety of fiduciary-level proxy advisory and voting services. These services include in-depth research, analysis, and voting recommendations as well as vote execution, reporting, auditing and consulting assistance for the handling of proxy voting responsibility and corporate governance-related efforts. While our Proxy Committee relies upon ISS research in establishing Adelante's proxy voting guidelines, and many of our guidelines are consistent with ISS positions, Adelante may deviate from ISS recommendations on general policy issues or specific proxy proposals.

ISS provides comprehensive summaries of proxy proposals (including social responsibility issues), publications discussing key proxy voting issues, and specific vote recommendations regarding portfolio company proxies to assist in the proxy research process. The final authority and responsibility for proxy voting decisions remains with Adelante. Decisions with respect to proxy matters are made primarily in light of the anticipated impact of the issue on the desirability of investing in the company from the viewpoint of our clients. If a client who has given Adelante authority to vote proxies on its behalf is interested in directing its vote on a particular solicitation, Adelante will request that they contact, and enter in to a dialogue with, Adelante regarding the issue.

The portfolio management area is responsible for deciding what is in the best interest of each particular client when determining how proxies are voted. Adelante defines the best interest of the client primarily with reference to the impact that the issue being voted upon may have on the desirability of owning the security from the client's perspective. Because circumstances differ between clients, some clients may vote their own proxies while others have authorized Adelante to vote on their behalf. Clients who elect to vote their own proxies can expect their custodian to send all solicitation materials to the address of record associated with the account.

The portfolio management area is also responsible for monitoring corporate actions, ensuring the notifications from the custodians and/or information from Bloomberg or other electronic surveillance systems is recorded in the portfolio management/accounting system.

Resolving Potential Conflicts of Interest

The Adelante Proxy Manager monitors for potential conflicts of interest that may arise in the proxy voting process. In instances where a potential conflict of interest is identified, the Adelante Proxy Manager will refer the matter to the Proxy Voting Committee for resolution, which may include obtaining informed client consent before voting.

Contact Information

A copy of our complete Proxy Voting Policies and Procedures is available upon request, as is information on how Adelante voted your proxies. To obtain this information, please contact Trisha Stolle (510-986-2121), Adelante Capital Management LLC, 555 12th Street, Suite 2100, Oakland, CA 94607.

Item 18: Financial Information

Not applicable.