

# ***ASIA INVESTMENT PARTNERS, INC.***

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## ***Disclosure Brochure***

***February 14, 2012***

This brochure provides information about the qualifications and business practices of Asia Investment Partners, Inc. If you have any questions about the contents of this brochure, please contact us at 303-565-2400. 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.

Any references to Asia Investment Partners, Inc. as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training. Additional information about Asia Investment Partners, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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Material Changes

On August 12, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which requires Asia Investment Partners, Inc. (“AIP, we, us, our, ours”) to provide clients and prospective clients (“you, your, yours”) with a brochure and brochure supplements written in plain English. This brochure is prepared according to the SEC’s new requirements and rules.

Going forward, we will see that you receive a summary of any material changes to our brochures by April 29th of each year. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting Charles Hauber, Chief Compliance Officer, at 303-565-2400 or by e-mailing [chauber@lamscos.com](mailto:chauber@lamscos.com) . We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Advisory Business

AIP is a corporation organized under Colorado state law in 2000. The principal owners are ABH Financial Trust, Jove Equity Fund I, LP, and LaM Financial Holdings Ltd LLLP. The executive officers of AIP are:

- Larry Mizel, Chairman
- Barry Hirschfeld, President and CEO
- Charles Hauber, Chief Compliance Officer

We have applied for registration with the Securities and Exchange Commission (“SEC”) as an investment adviser.

AIP offers discretionary portfolio management services to pooled investment vehicles (“funds”) which invest primarily in senior housing properties in Japan. The funds are exempt from registration under the Securities Act of 1933. The funds are offered through private placement to Accredited Investors and Qualified Clients as further described in “Types of Clients.” The investment objectives and methodology are more fully described in each fund’s private offering memorandum.

As of February 14, 2012, we have approximately \$80,306,673 of client assets under our discretionary management.

## Fees and Compensation

The fees and compensation are described in each fund’s private offering memorandum. AIP and/or its affiliates will earn fees for their selection of the portfolio investments and management of those portfolios. The following is a list of fees which may be

charged in some combination to a fund, in accordance with the respective offering memorandum:

- 2% Capital Commitments , Years 1-2
- 1.5% Gross Asset Costs , Years 3-5 or 2% Drawn Commitments, Years 3-4
- 2% Acquisition Fees
- 2% Disposition Fees (if affiliate is servicing company)
- 1% Disposition Fees (if servicing company is not affiliated)

Funds will be assessed Performance Based Fees as described in the following section.

Certain fees may be paid to subsidiaries and affiliates of AIP for the services provided to the funds, including sourcing, research and management of properties.

In addition to the fees listed above, the funds will pay all brokerage, commission, custodial, administration, audit and other fees as outlined in each fund’s offering memorandum. The General Partner of a fund may choose to waive or offset fees at its discretion.

## Performance-Based Fees

Performance-based or incentive fees are based on a share of capital gains on or capital appreciation of the assets of a fund. The performance-based fees assessed on the funds are structured in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 (the “Act”), and with exemptions

available under the Act, including the exemption in Rule 205-3.

The method and timing of the calculation of a performance fee is described in the fund's private offering memorandum. Generally, these fees are tiered and based on a return of capital to limited and general partners, and a stated rate of return to limited partners. After stated thresholds are met, the performance fee may range between 20-30%.

The performance fee may create an incentive for AIP to make more speculative investments than would have been made in the absence of a performance fee. Additionally, AIP or its employees may have an incentive to devote more time and resources to funds on which they are more likely to earn the performance fee. However, AIP will work to help ensure no client's interests are placed above another's; and all portfolio investments are made in conformity with a fund's private offering memorandum.

## **Types of Clients**

We provide discretionary portfolio management services to pooled investment vehicles offered as shares of limited partnerships to Accredited Investors who are Qualified Clients and/or Qualified Purchasers.

Minimum capital commitments required to invest in a fund are defined in a fund's private offering memorandum.

We will assess a Performance Fee, as described above. Therefore, in accordance with Rule 205-3, investors in funds must meet the definition of "Qualified Client," i.e., at least \$2 MM net worth; \$1 MM initial investment; or, qualify as a Qualified Purchaser.

We do not provide ERISA counsel or advice. The advisors to ERISA accounts which elect to invest in an available fund should carefully review the fund's offering document.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

AIP has been active in the Japanese real estate market for over ten years. It has focused on senior housing and other opportunistic real estate strategies. We identify niche real estate markets in Japan, with limited competition in the market space.

We will evaluate properties for investment based upon both quantitative and qualitative factors, including but not limited to: the supply and demand in a particular sector and region; current or future operators of the property; corporate valuation; and liquidation value. AIP, along with its subsidiary companies that have expertise in locating prospective investment properties, conduct rigorous due diligence on each property.

We have invested primarily in real estate in Japan for portfolio investments. There are risks associated with investing in real estate outside the U.S., including but not limited to: currency fluctuation; potential expropriation; political, diplomatic, or social instability; influence of foreign government; accounting, auditing, and reporting standards differences; foreign taxes; and lack of conformity in legal systems.

Investing in real estate has risks, including but not limited to reliable valuations; lack of liquidity; availability of favorable financing; environmental and geographic hazards.

The investment strategies and objectives of each fund, as well as the risks associated with the fund, are more fully described in a fund's private offering memorandum.

There can be no guarantee that a fund will meet its investment objectives. All investments have risk of loss that an investor should be prepared to bear.

## **Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

## **Other Financial Industry Activities and Affiliations**

Subsidiary and affiliated companies serve as the General Partners of the funds managed by AIP. Additionally, AIP will rely on certain subsidiary and affiliated companies for research, selecting and monitoring prospective and existing portfolio investment properties; as well as for providing other services to it and the funds. Certain subsidiary and/or affiliated companies may also invest in the funds.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures

developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of a advisory representative's or employee's position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and

- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## **Brokerage Practices**

We have not entered into any soft dollar arrangements with any broker.

When a particular investment opportunity is suitable for multiple clients of AIP, we will generally allocate the investment among the clients in a manner which we determine is fair and equitable, taking into account such factors as legal, regulatory, and tax considerations; concentrations; available capital; liquidity concerns; expected realization date; and, other factors we deem appropriate.

If AIP determines to purchase stocks, bonds, options or other securities in a fund, it will select the broker and custodian for such purchases. When choosing a broker, AIP will consider, among other matters, the quality of the service, speed of execution, pricing, research provided, and assistance in improving the quality of trade executions.

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows

transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Partially filled orders will be allocated on a pro rata basis. Trade errors are corrected in a manner that does not disadvantage the client.

## **Review of Accounts**

We continually monitor the investment portfolios held by the funds.

The fund administrator provides monthly and quarterly reports to investors.

Annually, investors receive audited fund financials and K-1 tax information.

## **Client Referrals and Other Compensation**

Currently, AIP does not directly or indirectly compensate any person for client or investor referrals. However, in the future we may employ placement agents or third party solicitors. Any compensation arrangement will be described in a written acknowledgment, signed by the referred investor.

a copy of the final audited financial statements will be distributed to the investors.

## **Custody**

The cash and brokerage accounts of funds are maintained by a Qualified Custodian as defined in Rule 206(4) of the Act.

AIP can cause management, performance fees, and other fees described in a fund's offering memorandum to be deducted directly from the fund's account, pursuant to the investment management agreement and the private offering memorandum.

AIP is deemed to have custody of fund assets due to the affiliations of AIP and a fund's General Partners, which generally have authority to withdraw or redeem securities pursuant to the fund's offering memorandum.

AIP will generally utilize an independent Administrator which is responsible for, among other things, investor allocations and investor reporting. An independent Prime Broker would be responsible for cashiering, bookkeeping, delivery and receipt of securities and clearing, settling, and confirmation of trades.

Funds are audited annually by an independent certified public accountant. Copies of the audited financial statements are distributed to all investors in a fund within 120 days of the fiscal year end.

When a fund is liquidated or otherwise terminated, an audit will be conducted by an independent certified public accountant, and

## **Investment Discretion**

We manage the funds on a discretionary basis. This discretion is exercised in a manner consistent with a fund's private offering memorandum.

## **Voting Client Securities**

Currently, the funds managed by AIP do not hold any securities for which to vote proxies.

## **Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding.