

## **Form ADV Part 2A: Firm Brochure**

### **FrontRange Property Partners Management Holdings, LLC**

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This brochure provides information about the qualifications and business practices of FrontRange Property Partners Management Holdings, LLC (“FrontRange”). If you have any questions about the contents of this brochure, please contact Lisa Hunter, SVP-Compliance and Reporting, at (720) 302-3414 or at [lhunter@frontrangeap.com](mailto:lhunter@frontrangeap.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 FrontRange is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for FrontRange is 162388.

FrontRange is a registered investment adviser. Registration as an investment adviser does not imply any certain level of skill or training.

**Item 2: Material Changes**

*If you are amending your brochure for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the brochure or on the page immediately following the cover page, or as a separate document accompanying the brochure. You must state clearly that you are discussing only material changes since the last annual update of your brochure, and you must provide the date of the last annual update of your brochure.*

Item 2 discusses only material changes to the brochure since such prior version. Certain changes have been made since the March 14, 2012 version to expand on the answers relating to Types of Clients in Item 7 and Risk of Loss in Item 8 and to clarify the answers relating to Participation of Interest in Client Transactions and Personal Trading in Item 11.

### Item 3: Table of Contents

*Provide a table of contents to your brochure.*

		<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-By-Side Management	8
Item 7	Types of Clients	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12	Brokerage Practices	15
Item 13	Review of Accounts	16
Item 14	Client Referrals and Other Compensation	17
Item 15	Custody	18
Item 16	Investment Discretion	19
Item 17	Voting Client Securities	20
Item 18	Financial Information	21

#### Item 4: Advisory Business

- A. *Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).*

**Notes:** (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

FrontRange Property Partners Management Holdings, LLC (referred to herein as, “FrontRange”), was founded in 2011 and organized as a Delaware limited liability company for the purpose of providing investment advisory services to certain pooled investment vehicles (the “FrontRange Funds”):

The owner of FrontRange is FrontRange Property Partners Management, LLC, which is controlled by David R. Robertson. Lance J. Graber is a minority member of FrontRange Property Partners Management, LLC and has an economic interest in that entity.

- B. *Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.*

FrontRange provides discretionary investment advisory services to the FrontRange Funds, which consist of real estate investments. FrontRange specializes in the acquisition, asset management, improvement, and disposition of direct real estate properties within the major markets of the United States. FrontRange’s primary investment focus is the acquisition of stabilized, “light value add,” institutional quality multi-family assets.

- C. *Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*

With respect to the FrontRange Funds, FrontRange does not tailor its advisory services to the individual needs of investors, nor does it accept investor-imposed investment restrictions. FrontRange may, in the future, also establish a separately managed account that would tailor its investment objectives to those of a specific investor that may be different than those of the FrontRange Funds. Such investment objectives, fee arrangements and terms would be individually negotiated.

- D. *If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.*

FrontRange does not participate in wrap-fee programs.

- E. *If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.*

**Note:** *Your method for computing the amount of “client assets you manage” can be different from the method for computing “regulatory assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “client assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E.*

As of June 30, 2012, FrontRange managed approximately \$156.8 million of FrontRange Fund assets on a discretionary basis. FrontRange does not currently manage any FrontRange Fund assets on a non-discretionary basis.

## Item 5: Fees and Compensation

- A. *Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.*

All fees are governed by each FrontRange Fund's management agreement with FrontRange. Although FrontRange has not negotiated fees with any FrontRange Fund investors, factors FrontRange may consider in negotiating such fees may include the amount and complexity of services required, the type and amount of assets under management, whether FrontRange is acting in a discretionary or non-discretionary format (currently, FrontRange acts only in a discretionary format), and the extent of reporting or other administrative services required. FrontRange is typically compensated for its advisory services based on either (a) a percentage of committed capital, or (b) a percentage of invested capital.

FrontRange, in its sole discretion, may reduce, waive or modify fee terms for any investor.

- B. *Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.*

Advisory fees are calculated and charged to investors, quarterly in arrears, with the exception of the advisory fee due for the first quarter subsequent to the investor's initial capital contribution, which shall be paid in advance. Such fees are billed directly to each investor.

- C. *Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.*

The FrontRange Funds and their investors will bear their own expenses including, but not limited to, taxes, organizational, offering and investment-related expenses, administrative expenses, legal expenses, accounting expenses, audit and tax preparation expenses, corporate licensing, custodial fees and other direct expenses associated with the operation of the FrontRange Funds. In addition, certain Fund co-investors will incur acquisition fees. Due to the nature of FrontRange's business, the FrontRange Funds will not incur brokerage costs. Please see Item 12: Brokerage Practices.

- D. *If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.*

Advisory fees of the FrontRange Funds are paid quarterly in arrears, and prorated for contributions made during the quarter, with the exception of the advisory fee due for the first quarter subsequent to the investor's initial capital contribution, which shall be paid in advance. Investor accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

With respect to terminating the investment advisory relationship, withdrawals/redemptions from the FrontRange Funds are subject to significant conditions and restrictions, which are set forth in the relevant FrontRange Fund's governing documents.

- E. *If you or any of your supervised persons 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, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.*

1. *Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.*
2. *Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.*
3. *If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.*
4. *If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.*

Neither FrontRange nor any of its supervised persons accept compensation for the sale of securities or other investment products.

**Item 6: Performance-Based Fees and Side-By-Side Management**

*If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.*

FrontRange's fee structure currently does not include performance-based fees. However, as noted in Form ADV, Part 1A, Item 7, FrontRange has a related party that is the general partner of the FrontRange Funds. The general partner may be entitled to incentive-based or performance-based fees.

All performance-based fees are calculated and paid in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").



## Item 7: Types of Clients

*Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.*

FrontRange's clients are the FrontRange Funds, which are privately offered pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended.

Investment opportunities in the FrontRange Funds are generally offered to:

(A) U.S. Investors who are:

- (i) accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended ("Accredited Investors") and
- (ii) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended ("Qualified Purchasers") and

(B) non-U.S. Investors.

Investments in FrontRange Property Fund I, LP are subject to a minimum initial investment amount of \$1,000,000. Investments in FrontRange Cottonwood Holdings, LP are subject to a minimum initial investment amount of \$5,000,000.

Minimum investment amounts in the FrontRange Funds are subject to waiver at the discretion of the relevant Fund's general partner.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

- A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.*
- B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.*
- C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.*

FrontRange views all of its investments with a long-term perspective and looks for opportunities where it can add value to assets through releasing, repositioning, capital restructuring, or redevelopment. Investment opportunities are evaluated using a discounted cash flow analysis supported by historical results, current market and sub-market data and third party econometric forecasts. As a general matter, FrontRange utilizes the methods of analysis and investment strategies described in each FrontRange Fund's offering memoranda, governing documents, including subscription agreements, and the investment management agreement between FrontRange and each FrontRange Fund. The information contained herein is a summary only. Investors and prospective investors should refer to those documents for a complete overview of FrontRange's methods of analysis and investment strategies.

Risk is inherent in the real estate investment management process and cannot be avoided. In view of the risks associated with an investment in real estate, only investors able to bear the economic risk of their investment for an indefinite period and able to afford loss of their investment should consider investing. Such risks include, but are not limited to:

General Risks of Investing in Real Estate. The assets underlying each FrontRange Fund's investments will consist wholly or substantially of real estate or real estate-related assets. The FrontRange Funds therefore will be subject to the risks associated with investment in such assets. These risks may affect real estate markets generally or specific assets and include, without limitation, general economic and social climate, regional and local real estate conditions, the supply of and demand for properties, the financial resources of tenants, competition for tenants from other available properties, the ability to manage the real properties, changes in building, environmental, tax or other applicable laws, changes in real property tax rates, changes in interest rates, negative developments in the economy that depress travel activity, uninsured casualties, acts of God and other factors which are beyond the control of FrontRange. Furthermore, changes in interest rates or the availability of debt may render the investment in real estate assets difficult or unattractive. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

Many of these factors could cause fluctuations in occupancy rates, rent schedules or operating expenses, resulting in a negative effect on the value of real estate assets. Valuation of real estate assets may fluctuate.

The capital value of a FrontRange Fund's investments may be significantly diminished in the event of a downward turn in real estate market prices.

Moreover, certain expenditures associated with real estate, such as taxes, debt service, maintenance costs and insurance, tend to increase and are not generally decreased by events generally adversely affecting rental revenues such as an unforeseen downturn in the real estate market, a lack of investor confidence in the market or a softening of demand. Thus the cost of operating a property may exceed the rental income thereof. Insurance to cover losses and general liability in respect of properties may not be available or may be available only at prohibitive costs to cover losses from ongoing operations and other risks such as terrorism, earthquake, flood or environmental contamination. Although the FrontRange Funds intend to ensure that comprehensive insurance is maintained on their investments in amounts sufficient, in a commercially reasonable manner, to permit replacement in the event of total loss, certain types of losses are uninsurable or are not economically insurable, and FrontRange will have no control over whether such insurance is obtainable at commercially reasonable rates or at all.

**Development Activities.** FrontRange Funds may invest in undeveloped land and certain development properties or re-development opportunities. Undeveloped land, development properties and properties under re-development may involve more risk than properties on which development has been completed. Undeveloped land and development properties do not, and properties under re-development may not, generate operating revenue, while costs are incurred to develop or redevelop the properties, as well as certain expenses incurred for property taxes, insurance, etc. Also, construction may not be completed within budget or as scheduled, and estimated rental levels or sales prices may not be achieved. Further, development properties are often subject to various zoning laws and ordinances. In connection therewith, development may require approvals or waivers from local regulatory authorities, which often involve a long and costly process with no guarantee of a successful outcome. Finally, development projects are subject to a multitude of laws and ordinances, which are subject to change from time to time.

**Competitive Market for Investment Opportunities.** The activity of identifying and completing attractive real estate and real estate-related investments is competitive and involves a high degree of uncertainty. Over the past several years, an increasing number of real estate partnerships have been formed for the purpose of investing in real estate assets. Other unrelated parties may form additional partnerships with similar investment objectives to the FrontRange Funds. There may be competition for investments of the type in which the FrontRange Funds intend to invest, and such competition may lead to obtaining less favorable investment terms than would otherwise be the case or prevent some investments. As a result, there can be no assurance that the FrontRange Funds will be able to locate attractive investment opportunities that satisfy their investment objectives or realize upon the value of their investments or that the FrontRange Funds will be able to become fully invested for a significant period of time, if at all.

**Liquidity Considerations.** Because real estate investments are relatively illiquid, the FrontRange Funds' ability to promptly sell one or more properties in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond FrontRange's control. FrontRange cannot predict whether it will be able to sell any property for the price or on the terms set by the FrontRange Funds or whether any price or other terms offered by a prospective purchaser would be acceptable. The FrontRange Funds also cannot predict the length of time needed to find a willing and suitable purchaser.

The FrontRange Funds may be required to expend the funds to correct defects or to make improvements before a property can be sold. The FrontRange Funds cannot assure any investor that the funds will be available to correct those defects or to make those improvements.

**Financial Leverage.** The FrontRange Funds reserve the right to borrow money for investment purposes, which is known as financial leverage. As a result, investors should consider the various risks of financial leverage, including, without limitation, the matters described below. There is no assurance that a leveraging strategy would be successful. Financial leverage involves risks and special considerations for investors including:

- the likelihood of greater volatility of net asset value of the Interests than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on borrowings and short-term debt that the FrontRange Funds must pay will reduce the return to the investors;
- the effect of financial leverage in a market experiencing rising interest rates, which would likely cause a greater decline in the net asset value of the interests in the FrontRange Funds than if such funds were not leveraged; and
- the potential for an increase in operating costs, which may reduce a FrontRange Fund's total return.

**Hedging Instruments.** The FrontRange Funds may enter into interest rate swap agreements or pursue other hedging strategies. These hedging activities will vary in scope based on the level and volatility of interest rates, the type of portfolio investments held, and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect the FrontRange Funds because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the FrontRange Fund's ability to sell or assign its side of the hedging transaction; and
- the party owing money in the hedging transaction may default on its obligation to pay.

The FrontRange Fund's hedging activity may adversely affect their earnings, which could adversely affect cash available for distribution to the investors.

**Properties Owned Through Partnerships and Joint Ventures.** The FrontRange Funds may invest in joint ventures with developers or other unaffiliated persons or entities active in the real estate business, which may have significant impact on major decisions. Joint venture investments involve the risks that the joint venturers might become bankrupt (in which event a FrontRange Fund could remain liable for the obligations of such joint venture), that such joint venturers might at any time have economic or other business interests or goals which are inconsistent with the business interests or goals of the FrontRange Fund, and that such joint venturers may be in a position to take action contrary to a FrontRange Fund's instructions or requests or

contrary to its policies or objectives. In addition, agreements governing joint ventures often contain restrictions on the transfer of a joint venturer's interest, "buy-sell" or similar provisions which may result in a requirement that a FrontRange Fund purchase or sell its interest at a disadvantageous time or on disadvantageous terms. The occurrence of one or more of the events described above could have an adverse effect on the financial condition, results of operations and cash flow of a FrontRange Fund.

**Possible Lack of Diversification.** Although it is anticipated that each FrontRange Funds' investments will ultimately consist of a geographically diversified portfolio of suitable properties, no assurances can be given that the FrontRange Funds will achieve their overall diversification goals. A limited degree of diversification increases risk because, as a consequence, aggregate returns may be substantially adversely affected by the unfavorable performance of even a single investment.

## Item 9: Disciplinary Information

*If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.*

- *Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.*
- *Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.*

*A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person*

- 1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;*
- 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;*
- 3. was found to have been involved in a violation of an investment-related statute or regulation; or*
- 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.*

*B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person*

- 1. was found to have caused an investment-related business to lose its authorization to do business; or*
- 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority*
  - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;*
  - (b) barring or suspending your firm's or a management person's association with an investment-related business;*
  - (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or*
  - (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.*

*C. A self-regulatory organization (SRO) proceeding in which your firm or a management person*

1. *was found to have caused an investment-related business to lose its authorization to do business; or*
2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of FrontRange's advisory business or the integrity of FrontRange's management.

## Item 10: Other Financial Industry Activities and Affiliations

- A. *If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.*

Neither FrontRange nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. *If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.*

Neither FrontRange nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

- C. *Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.*
1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*
  2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)*
  3. *other investment adviser or financial planner*
  4. *futures commission merchant, commodity pool operator, or commodity trading advisor*
  5. *banking or thrift institution*
  6. *accountant or accounting firm*
  7. *lawyer or law firm*
  8. *insurance company or agency*
  9. *pension consultant*
  10. *real estate broker or dealer*
  11. *sponsor or syndicator of limited partnerships.*

FrontRange does not have relationships or arrangements with any of the parties listed that are material to its advisory business.

- D. *If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.*

FrontRange does not recommend or select for the FrontRange Funds or their investors other investment advisers from which it receives compensation or with which it has business relationships that would create a conflict of interest.



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

- A. *If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.*

FrontRange has adopted a Code of Ethics in accordance with Rule 204A-1 under the Advisers Act that sets forth ethical standards of business conduct that FrontRange requires of its employees, including compliance with applicable federal securities laws. This Code of Ethics, included in FrontRange's Investment Adviser Compliance Manual, is intended to reflect fiduciary principles that govern the conduct of FrontRange employees and its supervised persons in those situations where FrontRange acts as an investment adviser as defined under the Advisers Act. It consists of an outline of policies regarding several areas: standards of conduct and compliance with laws, rules and regulations; protection of material non-public information; personal securities trading; and outside business activities. It also consists of specific information and guidance that is provided in firm-wide policies and procedures. A copy of FrontRange's Code of Ethics is available to investors or prospective investors in the FrontRange Funds upon request.

- B. *If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise. Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.*

Neither FrontRange nor any related person recommends to the FrontRange Funds, or buys or sells for the FrontRange Funds, securities in which FrontRange or any related person has a material financial interest.

- C. *If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.*

Neither FrontRange nor any related person invests in the same securities that the Firm or any related person recommends to the FrontRange Funds.

- D. *If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.*

Neither FrontRange nor any related person recommends securities to the FrontRange Funds, or buys or sells securities for the FrontRange Funds, at or about the same time FrontRange or any related person buys or sells the same securities for their own accounts.

## Item 12: Brokerage Practices

- A. *Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).*
1. *Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.*
    - a. *Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.*
    - b. *Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients’ interest in receiving most favorable execution.*
    - c. *If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.*
    - d. *Disclose whether you use soft dollar benefits to service all of your clients’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.*
    - e. *Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.*
    - f. *Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.*
  2. *Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.*
    - a. *Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients’ interest in receiving most favorable execution.*
    - b. *Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.*
  3. *Directed Brokerage.*
    - a. *If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.*
    - b. *If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.*
- B. *Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.*

Due to the nature of its activities, FrontRange does not select or recommend broker-dealers for FrontRange Fund transactions.

**Item 13: Review of Accounts**

- A. *Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.*

FrontRange periodically monitors the FrontRange Funds' portfolios, and all persons involved in the account review process have sound educational background, appropriate professional certifications, and a high degree of professional competence. FrontRange regularly conducts on-site visits to inspect investments, and monitor market conditions and compliance with investment objectives. Reviews for the FrontRange Funds are also conducted not less frequently than monthly to assess investment performance and whether the underlying investments continue to meet certain objectives. FrontRange may use manager-provided information or public/regulatory filings to conduct its analysis.

- B. *If you review client accounts on other than a periodic basis, describe the factors that trigger a review.*

Accounts are reviewed on a quarterly basis.

- C. *Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.*

FrontRange submits regular written reports on a quarterly basis to all investors in the FrontRange Funds regarding the status and performance of their investments. Reports may be more frequent and content varying based on the terms of each FrontRange Fund's agreement with FrontRange. All FrontRange Funds are subject to annual audits of their financial statements by an independent auditor and all investors in the FrontRange Funds will be furnished with K-1s.

#### **Item 14: Client Referrals and Other Compensation**

- A. *If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.*

FrontRange does not receive any economic benefit from anyone other than the FrontRange Funds.

- B. *If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.*

FrontRange does not compensate, directly or indirectly, any such individual for referrals.

**Item 15: Custody**

*If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.*

FrontRange is not deemed to have custody of FrontRange Funds securities, and investors receive account statements only from FrontRange.

**Item 16: Investment Discretion**

*If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).*

Clients hire FrontRange to provide discretionary real estate advisory services. The discretionary authority granted to FrontRange is typically outlined in the investment management agreement or in the legal documents of the FrontRange Fund. FrontRange generally has discretionary authority for the management and conduct of the affairs of the FrontRange Funds. We are responsible for and have the authority to identify, acquire, operate, manage, finance and sell FrontRange Fund assets. Other responsibilities include, among other things, determining investment strategy and providing research, acquisition, portfolio management, asset management, property management, leasing supervision, client service, administration and financial accounting.

Prospective investors must execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

**Item 17: Voting Client Securities**

- A. *If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.*
- B. *If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.*

Due to the nature of FrontRange's primary advisory activities, FrontRange currently does not acquire securities that require it to vote proxies on behalf of the FrontRange Funds.

## Item 18: Financial Information

- A. *If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.*
- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.*
  - 2. Show parenthetically the market or fair value of securities included at cost.*
  - 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.*

**Note:** *If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.*

**Note:** *If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.*

FrontRange does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

- B. *If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.*

**Note:** *With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.*

FrontRange is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the FrontRange Funds.

- C. *If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.*

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