

ITEM 1 – COVER PAGE

IDI Investment Management, LLC

Investment Adviser Brochure (Form ADV: Part 2A)

SEC File Number 801-72418

January 29, 2013

This brochure provides information about the qualifications and business practices of IDI Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at 404-479-4000. 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 IDI Investment Management is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 2 - SUMMARY OF MATERIAL CHANGES

IDI Investment Management, LLC will update this brochure: 1) annually, and 2) promptly when certain information becomes materially inaccurate. This section contains a discussion of material changes to the brochure since the last annual update.

The last annual update was filed on March 29, 2012. The following changes have been made since the last annual update:

Item 13 – Review of Accounts

- Updated list of supervised persons responsible for account reviews as follows:
 - Replaced Paul Phillips with Bryan Blasingame for overall oversight of the reviews
 - Replaced Bryan Blasingame with Greg Ryan and Jennifer Widener with responsibility for review of transactions.

IDI Investment Management, LLC will provide its clients with a summary of any material changes to this and subsequent brochures by April 30th of each year. You can request our brochure at any time by contacting David R. Birdwell, Chief Operating Officer and Chief Compliance Officer, at 404-479-4104 or dbirdwell@idi.com.

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ITEM 4 - ADVISORY BUSINESS

IDI Investment Management, LLC (“IDI-IM”), organized in February 2009, is the investment management division of Industrial Developments International, Inc. (“IDI, Inc”). IDI, Inc. is a full-service industrial real estate company in North America that specializes in the development, leasing, investment and property management of Class-A warehouse, distribution and light-manufacturing facilities. IDI, Inc. is wholly owned by Kajima Real Estate Development, Inc. which in turn, is owned by Kajima USA, Inc. Kajima USA, Inc is owned by Kajima Corporation.

IDI-IM specializes in industrial real estate in locations along major logistics and distribution routes. IDI-IM’s investment management services include acquisitions, asset management, portfolio management and sales. IDI-IM provides these services to private funds (referred to herein as “clients” or “managed funds”). Related persons of IDI-IM (“IDI-related entities”) may have a minority limited partnership interest in these managed funds.

IDI-IM’s investment advice is limited to investments in entities holding industrial real estate and real-estate related assets. The investment objectives are outlined in each managed fund’s governing documents. In general, investment criteria reflect regional and national diversification and the full risk spectrum including core, core plus, value-added and opportunistic real estate investments.

As of December 31, 2011, IDI-IM managed \$482,000,000 in assets on a discretionary basis. IDI-IM does not provide its investment advisory services on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

IDI-IM earns an annual investment advisory fee based on a percentage of the value of the managed fund, paid monthly in arrears. In addition, IDI-IM earns fixed acquisition/facilitation fees with respect to certain investments. Fees are directly debited from the client’s account and are not negotiable.

Clients also pay performance-based compensation to IDI-related entities. IDI-related entities may also earn one or more of the following fees:

- A disposition fee for obtaining a buyer for the sale of any property, based upon the gross sale proceeds received at the closing of the sale.
- A refinancing fee for refinancing of an existing financing based upon the gross sale loan proceeds received at the closing of the refinancing.
- Property management fees to manage, operate, supervise, service, and maintain a property.
- Leasing fees to locate tenants and conduct related activities.
- Construction management fees for oversight of capital improvement projects undertaken at existing properties.

- Development management fees, based on the total cost of development.

Clients also pay charges to financial institutions and other third parties such as real estate brokerage fees (purchase/ sale of real estate), real estate commissions on leases, audit fees, banking fees, custodial fees, legal fees, tax preparation fees, appraisal fees, consultant fees and lender fees. The disclosure under Item 12 contains additional information regarding brokerage and other transaction costs.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

All of IDI's managed funds pay performance-based compensation to IDI-related entities. IDI-related entities can potentially receive greater fees from a managed fund paying a performance-based fee that is at a higher rate than that of another managed fund. This represents a potential conflict of interest because an incentive exists to favor managed funds that are charged the higher performance-based fee rate or to allocate more time, services or functions to those accounts. For example, an incentive would exist to direct the best investment ideas to the client that pays the higher performance fee rate or to time transactions to benefit IDI-IM receipt of fees in lieu of best timing for clients. IDI-IM has written policies and procedures to ensure that it deals fairly with all clients and that no client is advantaged or disadvantaged over any other.

ITEM 7 - TYPES OF CLIENTS

IDI-IM's clients are private funds for which IDI-related entities serve as the managing member or general partner. Managed funds may have investment minimums set forth in their governing documents, which may be waived at IDI-IM's discretion.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

IDI-IM seeks to create portfolio value through investment selection and managing industrial real estate to maximize its value. IDI-IM's strategy is based on identifying specific markets, specific segments within the top markets and specific assets within the targeted segments. IDI-IM seeks to mitigate risk through investment selection and diversification to ensure the portfolio is not overly concentrated by geographic region, product type (market segment) or tenant and industry. Each potential investment is investigated thoroughly by a financial due diligence team and a technical due diligence team. For opportunities that survive the scrutiny of the due diligence teams, recommendations and a summary of the findings are made to the IDI-IM Investment Committee, which makes recommendations to the appropriate governing board or committee of the relevant managed fund.

Investing in securities involves risk of loss that clients should be prepared to bear. Client investments are subject to the risks associated with the ownership and development of real estate, including risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, accelerated construction activity, the availability of financing, changes in interest rates, competition based on rental prices, energy and supply shortages, various uninsured and uninsurable risks and government regulations. In addition, investments in real estate or interests in real estate are highly illiquid and subject to industry cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether for the financing or refinancing of investments or for potential purchasers of the investments).

There is no assurance that the above list is a complete list of all risks of an investment or that there are no other risks that may exist now or that may arise in the future in connection with an investment. Strategies and risks related to the managed funds are described in greater detail in the corresponding private fund documents and this description is qualified in its entirety by those materials with respect to each managed fund.

ITEM 9 - DISCIPLINARY INFORMATION

IDI-IM and its supervised persons do not have any legal or disciplinary events to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

IDI-IM recommends the property management and leasing services of IDI Services Group, LLC ("IDI-SG"), an IDI-related entity. A conflict of interest exists in making this recommendation since property management fees are paid to this entity. IDI-SG may also earn construction, leasing and other fees. Further, certain supervised persons of IDI-IM that recommend IDI-SG may be entitled, directly or indirectly, to a portion of such fees.

IDI-related entities employ individuals (listed below) that are licensed real estate brokers. This is required in connection with leasing and other real estate-related activities.

- | | |
|-------------------|-------------------|
| • Matt O'Sullivan | • Doug Johnson |
| • Bob Tardy | • Doug Armbruster |
| • Jay Mitchell | • Kurt Nelson |
| • Maggie Amaya | • Tim Moore |

- Laura Varga

- Tony Moonen

Matt O'Sullivan also serves as the Qualifying Broker for IDI-SG's real estate brokerage activities.

IDI-IM also recommends the general contracting services of Kajima USA, Inc. A conflict of interest exists in making this recommendation since Kajima USA, Inc. earns fees for providing these services. Supervised persons of IDI-IM are not entitled to any portion of such fees.

The use of IDI-SG or Kajima USA, Inc. to provide services to clients requires the approval of the appropriate board and/or committee of each managed fund, as more specifically defined in the fund governing documents. Such governing board or committee consists of representatives appointed by each of the limited partners.

IDI-related entities may hold investment positions in its pooled funds. A conflict may exist to favor funds with a greater potential for return to IDI-related entities. For example, an incentive exists to recommend investments and/or timing of transactions for those managed funds. IDI-IM prohibits its supervised persons from allocating investment opportunities that favor any particular client, group of clients, or related proprietary accounts.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

IDI-IM enforces a Code of Ethics (the "Code") to promote the highest levels of ethical conduct among its supervised persons. The Code includes the following general principles: 1) the duty at all times to place the interests of clients first, 2) the requirement to conduct personal securities transactions in such a manner as to avoid any actual or potential conflict of interest, 3) the fundamental standard that IDI-IM and its supervised persons exercise independent, unbiased judgment in the investment decision-making process.

The Code stipulates that supervised persons are not permitted to use their knowledge of proposed or actual recommendations or transactions to profit personally. The Code restricts the personal receipt of investment opportunities, perquisites, or gifts from persons doing or seeking business with IDI-IM that could call into question the supervised person's independent judgment.

Supervised persons are also prohibited from sharing non-public personal information of clients or investors without permission and unless necessary to complete a transaction on the client or investor's behalf. In addition, IDI-IM limits access to non-public personal information to those supervised persons that need access to such information to provide services to the client or investor.

The principals and employees of IDI, Inc., some of which are also supervised persons of IDI-IM, indirectly own interests in IDI-related entities that: 1) receive performance-based compensation from certain managed funds and 2) are limited partners in certain managed funds. As a result, an incentive exists to favor these managed funds. For example, an incentive exists to allocate limited investment opportunities to such managed funds. IDI-IM prohibits its supervised persons from allocating investment opportunities that favor any particular client, group of clients or related and proprietary accounts.

This summary is qualified in its entirety by IDI's Code. Contact David Birdwell, Chief Operating Officer and Chief Compliance Officer, at 404-479-4104 or dbirdwell@idi.com to request a copy of the Code.

ITEM 12 - BROKERAGE PRACTICES

IDI-IM recommends brokers based on the brokerage firm's execution capabilities, reputation and access to the markets. Although obtaining the lowest fee is a factor in recommending a broker, IDI-IM does not necessarily recommend brokers that offer the lowest commissions. The use and selection of a broker to effect real estate transactions may be approved in conjunction with the fund's annual business plan or, if required by the governing fund documents, is approved by the appropriate board and/or committee for the specific fund, as defined in the fund governing documents. Such governing board or committee consists of representatives appointed by each of the limited partners.

IDI-IM currently does not have any managed funds with overlapping investment objectives. IDI-IM is committed to allocating potential investment opportunities among its clients in a fair and equitable manner. In a situation where an investment opportunity is suitable for one or more clients, IDI-IM would allocate such opportunity to a client based on an established allocation policy that is fully disclosed to all clients.

IDI, Inc. itself is a buyer, seller, and operating partner with respect to industrial real estate. IDI, Inc. is also involved in real estate development. IDI, Inc. invests in development opportunities and IDI-IM is not obligated to offer such opportunities to its managed funds – this practice is fully disclosed to investors in the managed funds. All other investment opportunities are first offered to clients. The investment opportunity is only offered to IDI, Inc. if each of IDI-IM's clients choose not to make the investment.

IDI-IM does not currently engage in securities transactions requiring the use of a securities broker. When IDI-IM recommends securities brokers, consideration is given to the firm's capabilities, accessibility to markets, anticipated return and fees charged. IDI-IM has written policies and procedures to ensure that it deals fairly with all clients and that no client is advantaged or disadvantaged over any other.

IDI, Inc. engages third party service providers to provide services on its own behalf that it also recommends to clients. Such third party service providers include real estate brokers, attorneys, accountants, insurance companies and title companies. Third party service

providers may provide benefits such as additional services or preferential fee rates based on the aggregate amount of business received from IDI, Inc. and managed funds. For example, a real estate broker may offer exclusive investment opportunities to IDI, Inc., that are not suitable for managed funds. Similarly, an accountant may reduce its fees based on the aggregate amount of business received from IDI, Inc. and managed funds. IDI-IM monitors this potential conflict of interest to ensure that the recommendation of third party service providers is in the clients' best interests and is not influenced by IDI, Inc.'s receipt of the aforementioned benefits.

ITEM 13 - REVIEW OF ACCOUNTS

IDI-IM closely monitors client investments as well as local and national market conditions on an ongoing basis. Listed below are the names and titles of the supervised persons responsible for these reviews. Bryan Blasingame, Senior Vice President & Chief Investment Officer, has overall responsibility for monitoring the activities of the professionals listed below.

Transactions – Greg Ryan, Senior Vice President & Managing Director, Dispositions

Jennifer Widener, Vice President & Director, Acquisitions

Portfolio Management – Edward Kerley, Managing Director

Accounting – Linda Booker, Chief Financial Officer

IDI-IM developed the Investor Gateway, a Web-based platform enabling interactive communication between IDI-IM and its investors. The secure site gives access to written information on client investments including all proposed acquisitions, due diligence items, financial models, accounting reports, property strategic plans, and research on markets and logistics on an ongoing basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

IDI-IM does not compensate any third parties for client referrals. See Item 12 for a description of the potential benefits received by IDI-related entities from third party services providers.

ITEM 15 - CUSTODY

IDI-IM's managed funds are audited by an independent public accountant and annual audited financial statements are distributed to investors.

ITEM 16 - INVESTMENT DISCRETION

The level of investment discretion granted to IDI-IM by each managed fund is defined by the governing documents for the specific managed fund, which outline the authority of IDI-IM to acquire or dispose of investments – or manage securities accounts. As required by defined delegation, IDI-IM defers decisions falling outside of its defined authority to the appropriate governing board or committee for the fund.

ITEM 17 - VOTING CLIENT SECURITIES

IDI-IM's clients generally do not hold voting securities. In the event that a client holds voting securities, IDI-IM will adopt and implement written policies and procedures that are reasonably designed to ensure that it votes client securities in the best interest of clients and in a manner that is not a product of a material conflict of interest between IDI-IM and the client. IDI-IM would disclose these policies and procedures to clients and describe to them how to obtain information from IDI-IM about how their securities were voted.

ITEM 18 - FINANCIAL INFORMATION

IDI-IM is financially capable of meeting all contractual commitments to clients.