

Perlmutter Advisors LLC

1849 Green Bay Road
Fourth Floor
Highland Park, Illinois 60035
www.perlmutter.net

March 18, 2015

This brochure provides information about the qualifications and business practices of Perlmutter Advisors LLC. If you have any questions about the contents of this brochure, please contact us through Craig Arnson at 847-748-3034 or craig@perlmutter.net. 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 Perlmutter Advisors LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Perlmutter Advisors LLC is an SEC registered investment advisor. This registration does not imply a specific level of expertise, skill or training. This registration does not imply a recommendation by the United States Securities and Exchange Commission or by any state securities authority.

This Cover Page constitutes Item 1 to the Perlmutter Advisors LLC Brochure.

Item 2. Material Changes

This brochure is an update of the Perlmutter Advisors LLC Brochure on Form ADV, Part 2A dated March 12, 2014, and includes information concerning our current investment advisory activities. There have been no material changes in the information provided in the Form ADV, Part 2A dated March 12, 2014.

<i>Item 3.</i>	<i>Table of Contents</i>	
<i>Item 2.</i>	<i>Material Changes.....</i>	<i>2</i>
<i>Item 3.</i>	<i>Table of Contents</i>	<i>3</i>
<i>Item 4.</i>	<i>Advisory Business</i>	<i>4</i>
<i>Item 5.</i>	<i>Fees and Compensation.....</i>	<i>7</i>
<i>Item 6.</i>	<i>Performance Based Fees and Side By Side Management</i>	<i>9</i>
<i>Item 7.</i>	<i>Types of Clients.....</i>	<i>10</i>
<i>Item 8.</i>	<i>Methods of Analysis, Investments Strategies and Risk of Loss.....</i>	<i>11</i>
<i>Item 9.</i>	<i>Disciplinary Information</i>	<i>15</i>
<i>Item 10.</i>	<i>Other Financial Industry Activities and Affiliations.....</i>	<i>16</i>
<i>Item 11.</i>	<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i>	<i>18</i>
<i>Item 12.</i>	<i>Brokerage Practices.....</i>	<i>20</i>
<i>Item 13.</i>	<i>Review of Accounts</i>	<i>21</i>
<i>Item 14.</i>	<i>Client Referrals and Other Compensation</i>	<i>22</i>
<i>Item 15.</i>	<i>Custody</i>	<i>23</i>
<i>Item 16.</i>	<i>Investment Discretion</i>	<i>24</i>
<i>Item 17.</i>	<i>Voting Client Securities</i>	<i>25</i>
<i>Item 18.</i>	<i>Financial Information.....</i>	<i>26</i>

Item 4. Advisory Business

- A. Perlmutter Advisors LLC, an Illinois limited liability company ("**Perlmutter Advisors**," the "**Firm**", the "**firm**" or "**we**"), is an SEC registered investment advisor that offers advice on a variety of investments in real estate, which, in some instances, may be securitized. We offer advice with respect to direct and indirect equity and debt investments in major classes of real estate. Our clients include pension and profit sharing plans and pooled investment vehicles ("**commingled funds**"), and may also government retirement plans, family offices, foundations and endowments and sponsors and managers of commingled funds.

Our parent company is Perlmutter Investment Company ("**PIC**"), a Chicago area based real estate investment management firm. Since its formation in 1998, PIC has been a privately owned real estate investment company with extensive experience in the evaluation, purchase, sale, financing and management of all classes of real estate, in real estate development and in the real estate capital markets. The members of PIC are high net worth individuals and PIC's executive officers.

Currently, we are providing investment advice to International Airport Centers L.L.C., a Delaware limited liability company ("**IAC**"), Bell Atlantic Master Trust, a trust created under the laws of the State of New York (the "**Trust**"), and two other commingled funds: PIAC, LLC, a Delaware limited liability company, and PIC Pinecrest, LLC, a Delaware limited liability company (individually a "**Private Fund**" and together the "**Private Funds**"). We advise the Trust and PIC Pinecrest, LLC with regard to Pinecrest Partners, LLC, a Delaware limited liability company ("Pinecrest") that is developing and will own and operate a portfolio of purpose-built, Class A, campus proximate, student housing facilities. IAC and Pinecrest are collectively referred to in this Brochure as the Funds.

Perlmutter Advisors became a registered investment advisor on November 2, 2010 and began operations at the end of calendar year 2010, by assuming the advisory responsibilities of PIC for BellPIC, LLC, a Delaware limited liability company ("**BellPIC**"), which is another commingled fund that was related to the Fund. BellPIC indirectly owned properties that were owned by Davis Street Properties, LLC, a Delaware limited liability company ("**DSP**"), that were substantially liquidated during calendar year 2011. Perlmutter Advisors assumed advisory responsibilities for (a) IAC as of the end of calendar year 2011, (b) the Trust, as of the beginning of the calendar year 2012 and (c) Pinecrest and its constituent Private Fund in 2013.

- B. The firm offers ongoing recommendations and investment management for portfolios containing direct and indirect investments in real estate. We provide real estate management and investment services to IAC and on its behalf to joint venture limited liability companies through which IAC develops, owns and operates real properties. We also provide investment advice to the Private Funds and pension trusts that are investors in the Funds. IAC owns and is acquiring and developing a portfolio of industrial warehouse, distribution and air cargo facilities. Pinecrest is developing a portfolio of purpose-built, Class A, campus proximate, student housing facilities. Our investment advice to IAC and its Board of Managers, and to the two members of Pinecrest relates to

the acquisition, development, disposition, financing, property management and leasing of applicable Fund assets. Among other things, we review and give advice to those clients with respect to budget to actual variances, and the analysis of projected costs prior to submission to the Board of Managers of the Fund. We also give advice with respect to business plans and monitor the performance of the Fund and its joint venture investments. We believe that our advice to IAC constitutes indirect advice to PIC IAC, LLC.

We also provide advice to the Trust, which invests in a portfolio of real estate assets through the majority interest in a joint venture.

The principal executive officers of the firm own indirect interests in one or more of the following entities, which, generally, make equity and debt investments in real estate (collectively, the "**Operating Companies**"):

- IAC (through PIAC, LLC), which, as noted above, acquires and develops industrial warehouse, distribution and air cargo facilities in the U.S.;
- Pinecrest (through PIC Pinecrest, LLC), which, as noted above, develops purpose-built, Class A, campus proximate student housing facilities;
- SLC Residential LLC, a Delaware limited liability company ("**SLC**"), f/k/a Snowmass Land Company, LLC, which is in the process of liquidating for sale residential properties.

From time to time, the firm may offer investors in a Fund and others the opportunity to invest in either (i) joint ventures (e.g., partnerships and limited liability companies, etc.) with one or more of the Operating Companies, which joint ventures will make investments in the types of real estate typically invested in by the relevant Operating Company(ies) and (ii) Private Fund in which (a) one or more of the principal executive officers of the firm owns an indirect interest, (b) PIC owns an indirect interest, (c) one or more of the principal executive officers of the firm owns a direct or indirect interest in the general partner/managing member of such pooled investment fund, and/or (d) PIC is the general partner/managing member of such pooled investment fund. PIC also may provide services to such joint ventures and/or funds, pursuant to separate, written services agreements. PIC Pinecrest LLC and PIAC LLC are two such commingled funds.

The firm will provide joint venture and commingled fund formation documents, if applicable, to the investor prior to the investor making an investment in any such joint venture or commingled fund. The documents will make appropriate disclosures regarding the ownership, managerial and/or service provision role that any of the firm's principal executive officers and/or PIC, as applicable, may have within the relevant joint venture or commingled fund.

- C. The firm's analysis methods include, without limitation, detailed financial analyses based on each real estate property investment; detailed financial and portfolio analyses; market analyses, economic analyses; tenant analyses; market trends; valuation estimates based

on replacement cost and comparable property transactions; basic fundamentals of supply and demand; and sector type.

The investment strategies used to implement any investment advice given to a client may include financial analyses, income and value growth potential, market pricing and portfolio objectives.

With respect to the Funds, we work within the investment objectives and investment restrictions set by the pension fund investor in the applicable Fund and its representatives on the Board of Managers of the Fund. With respect to the Trust, we work within the investment guidelines and directions provided by the authorized representative of the trustees of the Trust.

- D. Perlmutter Advisors does not currently participate in wrap fee programs.
- E. As of December 31, 2014, we managed approximately \$819,856,000, gross asset value, in non-discretionary client assets, and we managed approximately \$58,686,000, gross asset value, in client assets on a discretionary basis.

With respect to IAC, the firm seeks to obtain Board of Managers permission to exercise a limited degree of discretionary control over the investment portfolio account(s), for non-major decisions (e.g., executing and delivering agreements on the Fund or member's behalf with respect to agreed-upon investment opportunities, etc.). However, IAC's Board of Managers and members will retain discretionary control over all major decisions (e.g., whether or not to enter into a particular investment, etc.). Areas of client control and the firm's authority will be stated in each advisory agreement entered into between the client and the firm.

Item 5. Fees and Compensation

- A. We enter into an advisory agreement with each client, pursuant to which the client will pay Perlmutter Advisors a fee. The firm will collect its fee by submitting an invoice to the client for pre-approval and the payment.

Perlmutter Advisors offers investment management services on a fixed fee basis, on a percentage of assets under management basis and/or a performance fee basis.

Fixed fee amounts will be negotiated and included in the client's advisory agreement.

Our maximum percentage fee will be 2% of the assets in the client's portfolio that are managed by the firm. The fee will be calculated on either the value or the cost of the relevant assets, as the client and the firm shall agree in advance when negotiating the advisory agreement. The method and frequency of asset valuation will be determined by us and the applicable client and reflected in the client's advisory agreement.

For some investments, a performance based fee in the form of a carried interest in the Fund not to exceed 20% of the cash distributed to the members after the return of capital invested and a specified hurdle rate will be provided to affiliates of the firm. Any such performance fee will be provided for in the advisory agreement between the firm and the client.

The fees payable by the Trust and IAC are fixed fees, payable in arrears. The fee payable by PIC Pinecrest, LLC is based on a percentage of capital commitments and capital contributions to that client.

- B. Management fees are charged and invoiced in arrears, monthly to the Funds, quarterly to the Trust and annually to the Funds. We do not typically charge a set-up fee.
- C. Client accounts are subject to regulatory fees, transaction costs, custodian and sub-custodian fees, professional fees, consulting fees, property management fees and other costs and expenses, regardless of whether the Fund, the Trust or the client, as the case may be, shall realize any profits. The Trust also may reimburse the firm for reasonable travel expenses incurred in carrying out its duties under the investment management agreement, between the firm and the Trust. Clients that invest in Operating Companies or joint ventures with Operating Companies will be allocated a share of the cost of such Operating Company or joint venture. For example, IAC (and thereby its members) is subject to property management fees, leasing commissions, sales commissions and financing origination fees. In negotiating fees payable to third party service providers, we make commercially reasonable efforts to minimize those costs.

In addition, the firm may perform other related services with respect to client investments in real estate and charge market rate fees for such services, all as agreed to in the advisory agreement to be entered into between the client and the firm.

All additional fees to Perlmutter Advisors and its affiliates will be payable in arrears at the end of each quarter.

- D. We do not charge clients in advance.
- E. Neither Perlmutter Advisors nor its supervised persons accept compensation for the sale of securities or other investment products.

Item 6. Performance Based Fees and Side By Side Management

As noted above, for some investments, we will seek to have a performance based fee, which will consist of a carried interest not to exceed 20% of the cash distributed to the client after the return of capital invested and a specified hurdle rate. Any such performance fee will be provided for in the advisory agreement between the firm and the client.

We manage IAC, PIC Pinecrest, LLC and the Trust on a fixed fee basis. However, affiliates of the firm are entitled to a performance based fees equal to a negotiated percentage of the cash distributions after the achievement of an agreed upon rate of return. For the members of a Fund, all Persons to be charged the carried interest are "qualified clients", as defined in Rule 205-3 under the Advisers Act.

When an investment manager is responsible for both fixed fee accounts and performance based fee accounts, a conflict of interest can arise in allocating purchases and sales among the client accounts from the incentive to allocate the lowest purchase prices and the highest sales prices to the performance based fee accounts. If we determine that two or more accounts (including proprietary accounts) should participate in a specific investment, we typically will allocate the investment first in accordance with the available capital of the clients and then on a rotational basis. We will allocate investment opportunities that are within a client's investment objectives solely to the client, before such investment is taken into a proprietary account. However, we reserve the right to allocate on a non-rotational (e.g. pro rata or specific allocation) basis, where the circumstances justify such action and to invest alongside clients.

We manage the Trust on a fixed fee basis.

Item 7. Types of Clients

We intend to provide advice to pension and profit sharing plans, government retirement funds, family offices, foundations, endowments, commingled funds, including the Private Funds, and the general partners of commingled funds.

We currently advise, on a non-discretionary basis, a real estate fund, IAC that owns and will own interests in portfolios of real estate assets. We consider our clients to include the investors in the Fund, which, in the case of IAC, consist of a pension trust, PIC IAC, LLC (a Private Fund), an affiliate of PIC, and which, in the case of Pinecrest consist of a pension trust and PIC Pinecrest, LLC (a Private Fund).

We currently advise, on a discretionary basis, one pension trust, which owns a majority interest in a joint venture that owns a portfolio of real estate assets.

Item 8. Methods of Analysis, Investments Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

We offer advice on a variety of investments in real estate which, in some instances, may be securitized. We offer advice with respect to direct and indirect equity and debt investments in all major classes of real estate.

Our analysis methods include, without limitation, detailed financial analyses based on each real estate property investment, detailed financial and portfolio analyses; market analyses, economic analyses, tenant analyses; market trends; valuation estimates based on replacement cost and comparable property transactions; basic fundamentals of supply and demand; and sector type. We use research and other information obtained and prepared by PIC and its other affiliates, including the Operating Companies. Our investment advice to clients includes our financial analyses and our views on income and growth potential, market pricing and portfolio objectives on a property-by-property basis.

Our strategy is to have our clients' accounts fully invested in real estate or interests in real estate at all times. We do not manage cash. We invest only in long positions for both long term and short term holding periods. We do not purchase, sell or create derivatives, or sell real estate-related securities short. The investment strategies used to implement our investment advice may include financial analyses, income and value growth potential, market pricing and portfolio objectives.

Risk of Loss

General Investment Risk. All purchases and sales of real estate, and all trading in securities and other financial instruments, including real estate equity and debt instruments, involve substantial risk of loss (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond Perlmutter Advisor's control, such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changes in domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements.

Strategy Risk. Our strategy involves the acquisition of interests in real estate that we believe to be undervalued, the development of real estate, and the sale of such interests or the underlying properties when we believe that they are exceeding relative value. The success of the long positions established pursuant to our strategy depends in large part on our ability to accurately assess the fundamental value of the underlying properties. An accurate assessment of fundamental value depends on a complex analysis of a number of financial factors. No assurance can be given that we will be in a position to assess the

nature and magnitude of all material factors having a bearing on the value of a client's positions, or that we will accurately assess the impact of all factors of which it is aware.

In connection with the acquisition of real estate assets, we attempt to control strategy risks by imposing geographic diversification within a portfolio of real estate assets.

Custodial Risk. We will rely upon third parties, including property managers and banks, to hold and manage real estate assets and cash and to pay property operating and ownership costs and expenses. Membership interests in limited liability companies and partnerships, such as IAC, will be held in the name of the client. Property interests, including title, will be held by third parties. Financial difficulty, fraud or misrepresentation by persons holding title to real properties and to custodian institutions could impair the operational capabilities or capital position of a client.

Illiquid Instrument Risk. We expect that substantially all of a client's investments will be in the form of unregistered interests in commingled funds or joint ventures, including the Funds and other Operating Companies, none of which will involve securities that are traded on organized exchanges or traded in the over the counter market. This illiquidity could adversely affect our ability to close out a client's positions.

B. Specific Risks Associated with Perlmutter Advisors' Investment Strategy.

Economic Risk and Valuation. In recent years, credit markets have tightened, property transaction volume has slowed dramatically, and real estate values have experienced significant downward pressure. These factors make the valuation of real estate investments more difficult in today's market. There can be no assurance that the valuation given to any property owned by a client or Fund is indicative of the amount that an unaffiliated third party would be willing to pay for such property.

Lack of Independent Valuation. A Fund's assets are included in its financial statements at book value. Unless specifically requested by the client, Perlmutter Advisors does not obtain independent valuations or appraisals of client properties. There can be no assurance that the book value of Fund properties is indicative of their market value.

Tenant Risks. IAC's assets are predominately industrial warehouse properties. Some buildings are leased to and occupied by single tenants. A tenant default in performing its lease obligations, or a tenant's bankruptcy, could affect adversely cash flow from the particular property and cause the Fund to incur legal and other costs that would not likely be recouped. An early termination of a lease by a bankrupt tenant would result in unanticipated expenses to re-let the vacated property.

The properties owned indirectly by the Trust are commercial retail shopping centers. Tenant turnover and lease defaults could affect adversely cash flow from the particular property and cause the joint venture, and possibly the Trust, to incur leasing commissions, tenant improvement costs/allowances and/or professional fees in connection with the replacement of such tenants, some of which might not be recouped.

Non-Renewal of Leases. Commercial real estate is subject to the risk that, upon expiration, leases may not be renewed, or the space (or facility) may not be re-leased or may be re-leased on terms that are not as favorable to the client as those of the expired lease. The terms of re-leasing space, including the cost of required renovations, may be less favorable than the terms of the terminated lease. In such event, the client's real estate investments, cash flow distributions and property value would be affected adversely. This risk is particularly relevant to single tenant properties.

Student Housing Risks. Pinecrest's student housing properties will face significant competition from university owned student housing and from other private student housing communities. Universities can generally avoid real estate taxes and borrow funds at lower interest rates giving university-owned student housing a price and location advantage over private student housing, thereby affecting occupancy and rents. Student housing properties usually require greater maintenance costs, incur higher turnover rates, and have shorter term leases than other types of housing and commercial properties.

Construction Risks. Construction costs for seniors housing facilities to be developed by Pinecrest and industrial facilities to be developed by IAC will be estimated for feasibility purposes and bid out for construction purposes. Construction costs are subject to fluctuation based on actual trade and supply contractor bidding. Change orders and certain unforeseen conditions may increase the cost beyond the general contractor's guaranteed maximum price.

Leverage. A client's real estate investments are likely to be partially financed. Debt financing is typically limited to 50-60% of the gross value of the property being financed. The use of financial leverage may increase returns, but it also increases the risk of loss. A default under one mortgage loan could result in cross defaults under other related loans.

Environmental Risks. Environmental laws often impose responsibility for investigation and cleanup of hazardous substances and materials found on real property or the owner of the property, without regard to culpability. Uncertainty as to whether properties are in compliance with environmental laws could affect adversely the value of such properties. A number of IAC properties are located near or adjacent to airports and other transportation terminals. Such locations often enhance the risk of environmental contamination. Similarly, products and materials handled and used by some tenants could enhance the risk of environmental contamination.

No Active Trading or Tax Planning. Perlmutter Advisors' client accounts are not actively managed and do not involve frequent trading. We currently manage all client accounts without regard to tax considerations.

- C. General Real Estate Risks – Historically, real estate, like many other types of investments, has experienced significant fluctuation and cycles in value, while specific market conditions may result in occasional or permanent reductions in the value of the Client's investments. The value of any client's investments will depend on many factors beyond our control, including, without limitation: changes in general economic or local

conditions; changes in supply of or demand for competing properties in an area; changes in interest rates; the financial condition of buyers, sellers and tenants of properties; changes in real estate tax rates and other operating expenses; energy and supply shortages; various uninsured or uninsurable risks; natural disasters; changes in dividend or cash flow distribution rates; and changes in property management.

Item 9. Disciplinary Information

Neither Perlmutter Advisors nor any of its supervised persons has been party to a legal or disciplinary event that would be material to a client's or prospective client's evaluation of the Firm or our business integrity.

Item 10. Other Financial Industry Activities and Affiliations

- A. Neither Perlmutter Advisors 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. Neither Perlmutter Advisors 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 any of the foregoing.
- C. Our parent company is PIC, a Chicago area based real estate investment management firm. Since its formation in 1998, PIC has been a privately owned real estate investment company, with extensive experience in the evaluation, purchase, sale, financing and management of all classes of real estate, as well as real estate development and real estate capital markets. The principals of the firm are all officers of PIC and currently operate two private real estate operating companies: IAC, which acquires and develops industrial warehouse distribution and air cargo facilities in the United States; and Pinecrest, which acquires and develops purpose-built, Class A, campus proximate, student housing facilities. The principals of PIC are also overseeing the final liquidation of DSP, and the holding, pending eventual sale, of residential properties of SLC. PIAC, LLC is a beneficial owner of IAC and principals of PIC are members of that company and serve on the Board of Managers and as officers of IAC. PIC Pinecrest, LLC is a member of Pinecrest and principals of PIC are members of that company and serve on the Board of Managers and as officers of Pinecrest. PIC provides research and other information to Perlmutter Advisors as well as back office and administrative personnel.

Stephen Perlmutter, Terry Leipsig and Craig Arnson, all executive officers of PIC, as well as Norman Perlmutter, manager of PIC, through PIAC, LLC, each owns an indirect interest of less than 20% of IAC, and through PIC Pinecrest, LLC each owns indirect interests of less than 20% of Pinecrest.

Stephen Perlmutter, Terry Leipsig and Craig Arnson, as well as Norman Perlmutter, each owns an indirect interest of less than 20% of SLC.

In addition, PIC is the Manager of the Private Funds through which the principal executive officers of the firm have invested in the Funds. Also, pursuant to separate, written personal service agreements, PIC provides personal services to Pinecrest.

From time to time, the firm may offer investors in a Fund and others the opportunity to invest in either (i) joint ventures (e.g., partnerships and limited liability companies, etc.) with IAC or Pinecrest, and (ii) Private Funds in which (a) one or more of the principal executive officers of the firm owns an indirect interest, (b) PIC owns an indirect interest, (c) one or more of the principal executive officers of the firms owns a direct or indirect interest in the general partner/managing member of such fund or a part thereof, and/or (d) PIC is the general partner/managing member of such fund or a part thereof. In addition, PIC also may provide personal services to such joint ventures and/or commingled funds, pursuant to separate, written personal services agreements.

The firm will provide documents to disclose the foregoing structure(s), if applicable, prior to any investment therein by any of the firm's clients, which documents will note the ownership, managerial and/or service provision role that any of the firm's principal executive officers and/or PIC, as applicable, may have within any such investment structure(s).

The potential exists for material, non-public information to pass between PIC and Perlmutter Advisors. Procedural, physical and legal barriers have been put in place to minimize the likelihood of such an event. More information is available to clients in the Perlmutter Advisors' Code of Ethics and Policies & Procedures Manual.

- D. We do not recommend or select other investment advisers for firm clients or receive compensation directly or indirectly from other advisers.

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

- A. We follow a Code of Ethics that is designed to comply with Rule 204A-1 under the Advisers Act. A copy of our Code of Ethics is available to current and prospective clients upon request.

This Code establishes rules of conduct for all of our employees and is designed to, among other things, govern personal securities trading activities in the accounts of employees. In addition, our Code of Ethics includes safeguards designed to avoid conflicts of interests that could adversely affect our clients. In addition to requiring compliance with the applicable securities laws, our Code of Ethics establishes policies and procedures designed to prevent the misuse of material, non-public information (including information regarding our clients), and identifies activities that are either expressly prohibited or that require Chief Compliance Officer approval. Matters that could give rise to an appearance of impropriety, such as gift giving and solicitation, serving on boards of directors of public companies, and political contribution payments and solicitations, also require prior approval by the Chief Compliance Officer.

The Code is based upon the principle that Perlmutter Advisors and its employees owe a fiduciary duty to Perlmutter Advisors' clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of that of the firm's clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by the principles of Perlmutter Advisors continue to be applied. The purpose of the Code is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Perlmutter Advisors and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

- B. Officers and principals of Perlmutter Advisors own, indirectly, interests in IAC and Pinecrest, including interests in the Private Funds that own interests in IAC and Pinecrest,

respectively, and in the other Operating Companies, and may invest in the same real estate interests and commingled funds as its clients.

No Perlmutter Advisors access person shall recommend any transactions for a client without having disclosed his or her interest, if any, in such transaction or any party to the transaction, including, without limitation:

- any direct or indirect beneficial ownership of any economic interest in any party to the transaction;
- any contemplated transaction by such person and any other party to the transaction;
- any position as an officer, director, general partner, manager or similar position that such person holds with a party to the transaction or any affiliate of a party to the transaction; and
- Any present or proposed business relationship or transaction, between such person and any party to the transaction or any of its known affiliates.

C. We have adopted the following principles governing personal investment activities by our officers and principals:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Our officers and principals must not take inappropriate advantage of their positions.

The officers and principals of Perlmutter Advisors may invest side-by-side with clients in other real estate operating companies. The economic interest, including any carried interest and the hurdles therefor, will be determined through negotiations between the officers of the firm and the institutional investor in the real estate operating company.

Item 12. Brokerage Practices

Perlmutter Advisors, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research related products and/or other services obtained from broker dealers or third parties on a soft dollar commission basis.

Perlmutter Advisors does not encourage or solicit client referrals from broker dealers.

PIC and/or one of the principal executive officers of the firm, from time to time, might suggest one or more real estate brokers to the firm's clients in connection with proposed transactions within such client's account(s).

Perlmutter Advisors' policy and practice is to not accept advisory clients' instructions for directing a client's brokerage transactions to a particular broker dealer.

We, from time to time, may suggest one or more real estate brokers to our clients in connection with proposed transactions in the client's account(s).

Item 13. Review of Accounts

- A. The firm will review the account(s) of each of its clients on an on-going basis for consistency with targeted performance goals, as specified in the client's advisory agreement, if applicable. The principal executive officers of the firm that will perform these ongoing reviews are Stephen Perlmutter, CEO; and Terry Leipsig, CFO.
- B. We do not review client accounts on other than a periodic basis.
- C. The firm will provide quarterly financial statements to each of its clients regarding its account(s).

Item 14. Client Referrals and Other Compensation

- A. The firm has no arrangements, oral or written, whereby it would compensate any persons for referrals to its services. However, the general partner of a commingled fund in which one or more of the firm's clients may be offered the opportunity to invest, whether it be PIC by itself or as part of such general partner, may choose to pay persons fees for referring clients to such commingled fund, either as broker-dealers or finders.
- B. Neither Perlmutter Advisors nor any related person, directly or indirectly, compensates any person, who is not a supervised person of the firm, for client referrals.

Item 15. Custody

Perlmutter Advisors does not have custody of client funds or securities, other than cash in bank accounts pending contributions to an Operating Company or distribution to the investors in an Operating Company or commingled fund. The clients in IAC and Pinecrest, as well as the investors in the Private Funds receive annually audited financial statements of the applicable Fund and Private Fund.

Item 16. Investment Discretion

The firm accepts discretionary authority to manage assets on behalf of clients. In general, discretionary investment adviser services are provided by the firm to each client, pursuant to an investment advisory agreement, which sets forth the parties' responsibilities and the firm's authority over such client's account. The investment advisory agreement is specifically negotiated to meet the investment objectives of the client and typically incorporates both investment guidelines and detailed fee arrangements. Client investment guidelines vary and may include, but are not limited to, asset classes, diversification requirements, benchmark deviation concentration limits, restrictions prohibiting purchase of certain securities or making investments in certain countries or markets, and prohibiting certain investment strategies or techniques.

The firm has entered into a discretionary investment management agreement with the Trust. Subject to its fiduciary duties under the Advisor's Act, applicable laws, and the investment guidelines, objectives, restrictions and policies established by the Trust, the firm has broad authority and complete discretion to invest and reinvest the Trust's investment account assets, without distinction between principal and income, in such properties and securities as the firm deems prudent. The firm's discretionary authority includes the selection of broker-dealers to effectuate acquisitions and dispositions of investment account assets, except as otherwise instructed by the Trust and subject to broker-dealer selection guidelines established by the Trust.

Item 17. Voting Client Securities

The firm does have, and will accept, proxy voting authority on behalf of its clients. The following is a summary of the policies and procedures used by the firm in voting proxies relating to securities held on behalf of its clients for whom it has voting authority.

In general, if the firm believes that a company's management and board have interests sufficiently aligned with those of its client, the firm will vote in favor of board-approved proposals. Moreover, the firm seeks to ensure that the board of directors of a company is sufficiently aligned with security holders' interests and provides proper oversight of such company's management. Although the firm will examine board member elections on a case-by-case basis, it generally will vote for the election of directors that would result in a board comprised of a majority of independent directors.

Because of the variety and complexity of transactions that are presented to shareholders (such as mergers, acquisition, re-incorporations, adoptions of anti-takeover measures, changes to capital structures and executive compensation plans, among others), and the variety of industries, companies and market cycles involved, it is extremely difficult to foresee exactly what actions would be in the best interests of the firm's clients in all circumstances. Moreover, voting on such proposals involves considerations unique to each transaction. Accordingly, the firm will take a case-by-case approach to voting on proposals presenting these transactions.

Alternatively, a particular client may direct the firm to vote in particular solicitation for its account or to deliver any proxies to such client for direct voting. In such cases, the firm would document such client's direction.

In reference to conflicts of interest, the firm has established procedures to help it resolve conflicts of interest that might arise when voting proxies for its clients. These procedures provide that the firm's Chief Compliance Officer will examine conflicts of interests of which the firm is aware and seek to resolve such conflicts in the best interests of its clients, irrespective of any such conflict.

The firm's clients may obtain a copy of the firm's policies and procedures regarding proxy voting, as well as their accountant's voting record, upon request.

Item 18. Financial Information

Perlmutter Advisors does not foresee any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy. Thus, no financial statements of the firm accompany this Brochure.