

Avanti Investment Advisors, Inc.

923 N. Pennsylvania Avenue
Winter Park, FL 32789

Phone: (407) 628-8488

Website: www.avantiprop.com

This brochure provides information about the qualifications and business practices of Avanti Investment Advisors, Inc. (“Avanti”). If you have any questions about the contents of this brochure, please contact us at (407) 628-8488. 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 Avanti also is available on the SEC’s website at www.advisorinfo.sec.gov.

December 31, 2016

Table of Contents

Advisory Business	3
Fees and Compensation	3
Performance-Based Fees and Side-By-Side Management.....	4
Types of Clients	4
Methods of Analysis, Investment Strategies and Risk of Loss	4
Disciplinary Information.....	6
Other Financial Industry Activities and Affiliations	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Brokerage Practices	8
Review of Accounts	9
Client Referrals and Other Compensation	9
Custody	9
Voting Client Securities	9
Financial Information.....	9

Advisory Business

History and Ownership.

Avanti was incorporated as a Florida corporation in December 1991. The sole shareholder of Avanti is Avanti Management Partners III, L.L.P. The partners of, and ownership interests in, Avanti Management Partners III, L.L.P. are as follows: 46.005% owned by Avanti Management Corporation (which is owned 100% by Marvin Shapiro); 43.9995% owned by APG Loeb Management Corporation (which is owned 100% by Rosecliffe Heights Enterprises Ltd., which is owned 100% by Donald Loeb); and 10% by APG Dubill Interests Corporation (which is owned 100% by Andrew Dubill).

Privately Offered Real Estate Investment Partnerships.

Avanti currently provides investment advisory services to affiliated, privately offered investment partnerships (the “Limited Partnerships”), including Avanti Strategic Land Investors III (Active), L.P., Avanti Strategic Land Investors III (Passive), L.P., Avanti Strategic Land Investors IV (Active), L.P., Avanti Strategic Land Investors IV (Passive), L.P., Avanti Strategic Land Investors V, L.L.L.P., Avanti Strategic Land Investors VI, L.L.L.P., Avanti Strategic Land Investors VII, L.L.L.P. and Avanti Strategic Land Investors VIII, L.L.L.P. For each Limited Partnership, Avanti provides investment advisory services pursuant to an investment management agreement, and one or more affiliates of Avanti serve as general partner(s). The Limited Partnerships are generally structured such that investors either invest directly in a Limited Partnership, or invest indirectly in a Limited Partnership through variable life insurance contracts and group variable annuity contracts offered by one or more insurance companies who are limited partners in the Limited Partnership. From time to time, the Limited Partnerships may invest in other entities that invest in real estate and real estate-related opportunities.

Discretionary Services.

All of Avanti’s investment advisory services are provided on a discretionary basis. As of December 31, 2016, Avanti had approximately \$833,484,000 in assets under management.

Fees and Compensation

The Limited Partnerships pay Avanti fees for providing its investment advisory services. In general, Avanti charges each Limited Partnership an annual investment management fee of approximately 1.25% of committed investment capital per year during the Limited Partnership’s investment phase and 0.8% - 0.9% per year thereafter, payable quarterly in arrears, as more fully described in each Limited Partnership’s offering memorandum. Avanti generally determines the amount and payment terms for Avanti’s fees when each Limited Partnership is formed. Any fees paid to Avanti are exclusive of fees paid by a Limited

Partnership to the general partner/manager, custodian, broker, administrator, and other service providers of the Limited Partnership.

Performance-Based Fees and Side-By-Side Management

Avanti does not have any performance-based fee arrangements with the Limited Partnerships. However, affiliates of Avanti that serve as general partners of the Limited Partnerships will generally receive either a performance fee or a performance profit allocation, in each case equal to 20% of the net profits earned by the Limited Partnership, after each investor has received a return of all invested capital and a priority return, which is generally equal to 8%. The fees charged to each Limited Partnership are described in the offering memorandum of each Limited Partnership.

Types of Clients

As indicated above, Avanti's current clients include the Limited Partnerships. Investors in the Limited Partnerships are generally accredited investors, which may include endowments, foundations, high net worth individuals, pension and profit sharing plans, institutional investors, funds of funds, and hedge funds. The minimum investment commitment required of an investor in a Limited Partnership is generally \$1,000,000, although Avanti retains the discretion to waive these minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis and Investment Strategies.

The Limited Partnerships generally invest in residential and commercial land in major metropolitan areas in the southern and western United States, including, without limitation, unimproved land, land with developed infrastructure, land with existing buildings intended to be demolished for redevelopment ("Properties"), and debt instruments secured primarily by a collateral interest in land ("Mortgages", and together with Properties, "Real Estate Assets").

Avanti generally seeks to identify and invest in residential and commercial land parcels that are strategically located in growth corridors of cities with good long-term growth characteristics. Avanti evaluates potential investment opportunities for clients using Avanti's own proprietary research criteria, such as extensive markets research combined with engineering and legal due diligence reviews. The specific objectives and strategies for each Limited Partnership is described in the Limited Partnership's offering memorandum.

When Avanti directs investment in a Mortgage or similar debt investment, Avanti negotiates the terms of the investment in the best interests of its client, including, but not limited to, negotiating the interest rate terms, repayment requirements, and other terms of the debt instrument.

Risk of Loss.

While Avanti actively manages its portfolios in an effort to achieve returns and reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

- *Risks of Investing in Real Estate Assets.* Where Avanti invests client assets in Real Estate Assets, such investments are subject to all the risks inherent in investing in Real Estate Assets. These risks include, without limitation: illiquidity of real estate investments; general and local economic and social conditions; neighborhood values and the adverse use of adjacent or neighboring real estate; the supply of, and demand for, properties of the type in which a client invests; changes in tax, zoning, building, environmental and other applicable laws; real property tax rates; changes in interest rates; governmental actions; fluctuation of real estate values; the unavailability or limited availability of credit that may render the sale of Real Estate Assets difficult or unattractive; calamities; and, acts of bad faith. Such risks also may cause fluctuations in operating expenses, which could adversely affect the value of client investments in Real Estate Assets. Where client investments include debt instruments, such investments are also subject to the risk of counterparty default.
- *Softness in Economies and Real Estate Markets; Distressed Properties.* One result of the recent economic downturn was substantial decline in real estate prices and sales volumes generally. The success of the client investments in Real Estate Assets will depend, at least in part, on the extent that economic recovery, or the perception of economic recovery, results in increased prices and interest in each client's investment portfolio. If the economies of areas that a client invests remain weak, suffer further declines, or otherwise fail to sufficiently improve, these areas will likely fail to see an increase in real estate prices or sales volume and a client's investments may lose money.
- *Environmental Matters.* Under various federal, state, and local laws, ordinances, and regulations, an owner and operator of real property may be liable for the costs of removal or remediation of certain hazardous substances released or located on its property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The presence of such substances, or the failure to properly remediate such substances, when released, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. In addition to clean-up actions brought by

federal, state, and local agencies, the presence of hazardous waste on Properties could result in personal injury or similar claims by private plaintiffs. Hazardous substance contamination in Real Estate Assets in which a client invests could adversely affect the value of such investments.

- *Non-Specified Investments.* Avanti invests client assets in Real Estate Assets that will not be identified to clients prior to such investment. Clients must rely on the judgment and ability of Avanti with respect to the investment of client assets, and will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding such investments. No assurance can be given that Avanti will be successful in obtaining Real Estate Assets suitable for investment.
- *Performance Allocation.* As stated above, affiliates of Avanti earn a performance-based fee for serving as general partner of a Limited Partnership. Clients whose assets are invested in Limited Partnerships should be aware that this arrangement may act as an incentive for Avanti to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee.
- *Credit Risk.* Avanti may invest client assets in Mortgages. For each Mortgage, a client's investment will be subject to the risk that the obligor(s) will default on the obligation to make principal and/or interest payments as they become due. There is no assurance that said collateral can be foreclosed upon, or that any collateral foreclosed upon can be resold. Moreover, even if said collateral is foreclosed upon and resold, there can be no assurance that an investor in such Mortgage will receive the full value of its investment from the proceeds of its sale, or that the defaulting obligor(s) will be liable for, or have the ability to pay, any resulting deficiency.
- *Indemnification of Investment Manager.* The investment management agreement provides that each Limited Partnership will indemnify and hold harmless Avanti and its officers, directors, agents, and employees from and against any and all losses, claims, damages, and liabilities to which they may be subject, insofar as such losses, claims, damages and liabilities arise by virtue of their performance of services for the Limited Partnership, under the partnership agreement or the investment management agreement, except where the party to be indemnified has breached the investment management agreement, partnership agreement, or the obligations, if any, imposed by ERISA, or has acted in bad faith or with gross negligence.

Disciplinary Information

Avanti has no disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

Avanti Securities Corporation (“ASC”), an affiliate of Avanti, is a broker-dealer registered with the Financial Industry Regulatory Authority, Inc. ASC provides brokerage services in connection with the offering of interests in the Limited Partnerships. ASC does not receive compensation in connection with such brokerage services.

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

Code of Ethics. Under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Avanti and its officers, directors and employees (“Supervised Persons”) owe fiduciary duties to their clients. Consistent with these duties, Avanti has adopted a Code of Ethics (“Code”) which, among other things, requires that its Supervised Persons reflect the professional standards expected of investment advisers, and comply with federal and state securities laws and regulations pertaining to Avanti. Under the Code, Supervised Persons should place the interests of clients first, ahead of their own personal interests, and seek to treat clients fairly. In addition, Supervised Persons are prohibited from engaging in any practice that defrauds or misleads any client or investor, or engaging in any manipulative or deceitful practice with respect to clients, investors, or securities.

The Code also includes provisions addressing personal trading by Supervised Persons, as summarized below:

Personal Trading. Under the Code, Supervised Persons are generally required to submit information about their personal trading activities to Avanti’s chief compliance officer (“CCO”) or the CCO’s designee for review. In addition, Supervised Persons are generally required to notify the CCO and obtain advance approval of certain personal trades in securities that may be traded by Avanti for client accounts. Violations of the Code may result in disciplinary action up to, and including, dismissal.

Participation or Interest in Client Transactions. Under the Code, Supervised Persons are prohibited from trading in securities on the basis of material, non-public information or communicate material, non-public information about the issuer of any security to any other person.

Certain affiliates of Avanti, including, without limitation, Avanti Capital Associates, Avanti Real Estate Advisors, Inc., Avanti Real Estate Holdings, Inc., Avanti Properties Group, LLP, and Avanti Properties Group II, LLLP, serve as general partners for the Limited Partnerships. Accordingly, these affiliates will have a financial or other interest in each Limited Partnership. Due to these affiliations, Avanti may be subject to conflicts of interest when providing advisory services to the Limited Partnerships or potential investors in the Limited Partnerships.

Avanti will provide a copy of the Code to clients or prospective clients upon request.

Brokerage Practices

For each trade where it exercises investment discretion, Avanti seeks “best execution” (a combination of price and execution relative to our instructions, and other factors).

Brokerage Selection. In making brokerage determinations, Avanti considers a number of judgmental factors, including, without limitation, clearance and settlement capabilities, quality of confirmations and account statements, the ability of the broker to settle the trade promptly and accurately, the financial standing, reputation and integrity of the broker-dealer, access to markets, research capabilities, market knowledge, any “value added” characteristics, Avanti’s past experience with the broker-dealer, Avanti’s past experience with similar trades, and other factors. Recognizing the value of these factors, Avanti may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Soft Dollar Transactions. Avanti does not engage in soft dollar transactions.

Aggregation of Trades. Client accounts managed by Avanti do not generally trade in securities. However, where a client’s account trades securities, Avanti may aggregate trades for the Limited Partnerships and managed accounts if it is consistent with receiving best execution. Generally, Limited Partnerships and managed accounts participating in an aggregated order will receive an average price of all trades placed that trading day and pay their ratable share of brokerage costs. In some cases, Avanti may be excluded from aggregated block trades due to legal or regulatory concerns.

Other Trading Policies. Client accounts managed by Avanti do not generally trade in securities. However, where a client’s account trades securities, in the event of a trading error (including purchasing or selling the wrong securities for a client account, or purchasing securities not legally permitted for a client account, or not within the client’s investment guidelines), Avanti’s general policy is to treat clients fairly. Trading and administrative errors are to be brought immediately to the attention of the CCO or Avanti management, and to the extent practicable under the circumstances, errors should not be resolved without prior approval from the CCO or Avanti management.

When a trade error occurs in a client account, Avanti will take appropriate steps to treat clients fairly, including, without limitation, working with the broker-dealer involved in the trade to implement a correction. If necessary, Avanti may establish an error account, in which losses resulting from trading errors may be netted against gains realized from other trading errors.

Review of Accounts

Avanti's portfolio managers and Chief Operating Officer ("COO") regularly review the Limited Partnerships' and other clients' accounts. These reviews focus on investments, performance, and potential performance. Avanti provides quarterly reports and other updates as deemed necessary or advisable to each limited partnership and its limited partners, including a listing of the investments in the portfolio.

Client Referrals and Other Compensation

Avanti may engage solicitors who refer clients to Avanti consistent with the requirements of Rule 206-4(3) under the Advisers Act. Avanti currently does not have any solicitation arrangement in place with others. Avanti, or one or more of its affiliates, may also engage and pay compensation to third parties who refer potential investors to the Limited Partnerships.

Custody

Where a client's account holds securities, custody of these securities is maintained at "qualified custodians," as such term is defined under Rule 206(4)-2 of the Advisers Act. Clients should request statements from their custodians at least quarterly, with paper or electronic copies provided to Avanti. Clients should promptly notify Avanti if they do not receive a quarterly statement from their custodian.

Investment Discretion

Avanti has discretionary authority over the client portfolios that it manages. The investment management agreements between Avanti and the Limited Partnerships generally grant Avanti the power to acquire, invest, encumber, dispose, and otherwise manage any and all assets held by the Limited Partnerships.

Voting Client Securities

Avanti will not have authority to vote proxies for client securities. Avanti's clients receive proxies and other solicitations directly from their respective custodians or from transfer agents. Avanti's clients may contact Avanti with questions about a particular solicitation by calling (407) 628-8488.

Financial Information

Avanti does not require or solicit prepayment of fees six months or more in advance, and Avanti currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.