

**Item 1 – Cover Page**

**LPC REALTY ADVISORS I, LP**

**CRD 112175**

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**Suite 2900**

**Chicago, Illinois 60602**

**312-345-8780**

**March 29, 2018**

This Brochure provides information about the qualifications and business practices of LPC Realty Advisors I, LP (“LPC Realty Advisors”, “LPCRA”, the “Firm” or the “Company”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at 312-345-8780.

LPC Realty Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about LPC Realty Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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.

## **Item 2 – Material Changes**

The Material Changes section of this Brochure will be updated annually when material changes occur since our last annual update.

### **Material Changes**

The date of our last annual updating Brochure was March 2, 2016.

Since the date of our last Brochure, there have been no material changes to report.

Please contact the Chief Compliance Officer at 312-345-8780 to obtain a free copy of our Brochure.

Additional information about LPC Realty Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 – Advisory Business**

Founded in 1992, LPC Realty Advisors is an investment management firm primarily focusing on investing in real estate properties.

LPC Realty Advisors provides non-discretionary investment advice to pension and profit sharing plans regarding investments in real estate. LPCRA pursues a real estate investment strategy focused primarily on acquiring domestic office, industrial or retail properties with “value-added” and “core” strategies. Once a suitable piece of property is identified, LPCRA prepares a proposal for client review and approval. Once the client has approved of the acquisition of the specific property, LPCRA will normally form a Delaware corporation to own and hold title to the property and establish with the title company the necessary escrow and other accounts necessary to buy the property. After LPCRA has acquired a real estate investment, it monitors the property on behalf of the client.

LPC Realty Advisors is headquartered in Chicago. LPCRA is privately owned. WCD GS Trust is LPCRA’s principal owner who owns more than 25% of the Firm.

As of December 31, 2017, LPC Realty Advisors managed on a non-discretionary basis approximately \$1,838,937,414.

#### **Item 5 – Fees and Compensation**

*Management fees are negotiable.*

The specific manner in which fees are charged by and paid to LPCRA is established in the client’s written agreement with the Firm. Clients may also elect to be billed directly for fees or to authorize the Firm to directly debit fees from client accounts. *If clients elect to authorize the Firm to directly debit fees from their accounts, clients should review the billing invoice to verify the fee calculation and the corresponding debit as reflected in their account statement.*

LPC Realty Advisors’ fees may include base, acquisition and incentive fees.

## Termination

Investment management services are terminable by the client at the client's discretion. LPCRA may terminate investment management services upon 30-days advance written notice. In the case of any termination, management fees will be determined on a pro rata basis through the date of termination.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## Other Fees and Expenses

LPCRA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by clients. Clients may incur certain charges imposed by banks, brokers, and other third-parties such as fees charged by property managers, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on transactions.

Clients may also pay expenses to LPCRA affiliate for services provided to the properties in a Client's portfolio, such as property management or leasing agency services, as established in the client's written agreement with the Firm.

Item 12 further describes the factors that LPCRA considers in selecting or recommending broker for clients' transactions and determining the reasonableness of their compensation.

## Item 6 – Performance-Based Fees and Side-By-Side Management

LPC Realty Advisors' management fee arrangement with clients includes performance fee or incentive fee arrangements.

Performance based fee arrangements may create an incentive for LPCRA to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such management fee arrangements also create an incentive to favor higher fee paying clients over other "side-by-side" clients in the allocation of investment opportunities. This risk is mitigated because LPCRA currently has only one client.

**Commented [A1]:** Per my previous comment in this 2A, you should include disclosure about the fees / expenses paid to affiliates.

In the event LPCRA begins to manage other clients, LPCRA has procedures designed and implemented to ensure that all clients are treated fairly and equitably to prevent the inappropriate allocation of investment opportunities among clients.

Clients should review the respective Investment Management Agreement detailed information with respect to incentive fees.

#### **Item 7 – Types of Clients**

LPC Realty Advisors provides portfolio management services to a pension and profit-sharing plan

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

##### **Investment Methodology and Strategy**

In determining potential property acquisitions to recommend to its clients, LPCRA uses methods of analysis, sources of information and investment strategies traditionally employed in evaluating direct investments in real estate. These include, but are not limited to, multi-year cash flow projections, physical collateral evaluations, collateral cash flow evaluations, other collateral financial evaluations, and current rent roll and tenant evaluations.

The sources of information LPCRA relies on to identify potential real estate investments include, but are not limited to, real estate-related periodicals, local brokerage firm communications, third-party property and market reports, and employment growth projections from local municipalities and other research publications. After identifying potential real estate investments, LPCRA conducts extensive due diligence investigations, utilizing the security analysis methods discussed above to determine property investments to recommend to its clients. LPCRA relies heavily on its expertise in and knowledge of the real estate industry, including the extensive resources of LPCRA affiliates.

Real estate investment is necessarily a long-term proposition. LPCRA may occasionally recommend short-term investment in money market fund shares, certificates of deposit and United States government securities, as temporary investment pending use in connection with purchasing property or otherwise managing existing holdings.

### Risk of Loss

**Investing in securities and real estate involves risk of loss that clients should be prepared to bear.**

LPC Realty Advisors primarily invests in real estate properties. Accordingly, clients who retain LPCRA to manage their assets may experience a greater degree of risk.

LPCRA's investment strategies may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the investment adviser or the integrity of the investment adviser's management.

LPC Realty Advisors does not have any disciplinary information applicable to this Item to disclose.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Certain of LPC Realty Advisors' principal executive officers, including LPCRA's Investment Committee members, spend a majority of their time engaged in the real estate-related activities of affiliates, such as Lincoln Property Company Commercial, Inc. and LPC Commercial Services, Inc. In connection with performing services for these affiliated companies, LPCRA's officers and employees will receive compensation.

LPCRA's related person, Lincoln Advisory Group, Ltd. ("LAG"), is also an investment adviser registered with the SEC. LPCRA and LAG share office space and, to the extent applicable, compliance policies and procedures addressing common regulatory requirements and issues.

LPCRA has material business relationships with related persons within the Lincoln Property Company group of companies. Those business relationships include selecting related persons such as Lincoln Property Company Commercial, Inc., LPC Commercial Services, Inc. and LPC West, LLC, to act, with client's consent, as leasing agent and property

manager. LPCRA's client approves the leasing and/or management fees earned by LPCRA's affiliates, which provide leasing and property management services on properties owned by the client.

LPCRA typically forms a special purpose entity to hold title to the real estate in which only the client is the beneficial and legal owner. LPCRA will form the entity and manage its operations in accordance with the terms of the client's agreement with LPCRA. These special purpose entities are not offered to third-parties as private investment funds.

#### **Item 11 – Code of Ethics**

LPC Realty Advisors has adopted a Code of Ethics designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act. The Code of Ethics describes LPCRA's high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes, among other items, provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of spreading rumors, restrictions on the acceptance of extravagant gifts and entertainment, the reporting of certain gifts and business entertainment, and personal securities trading procedures. All supervised persons at the Company must acknowledge the terms of the Code of Ethics annually.

The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Company will not materially interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities and transactions have been designated as exempt securities or transactions based upon a determination that these would materially not interfere with the best interest of clients. In addition, the Code requires pre-clearance of certain transactions. Employee trading is monitored by Compliance Officers to reasonably detect and prevent conflicts of interest between LPCRA and clients.

Among others, the Code requires supervised persons to:

- Submit to the Chief Compliance Officer ("CCO") an initial and an annual report listing their securities holdings and a quarterly report of transactions;
- Obtain approval from the CCO prior to investing in new issues ("IPOs") and Private Placements (limited offerings);
- Comply with the federal securities laws, certifying that they have read and understand the Code and reporting any violations of the Code to the CCO;



- Not trade either in their personal accounts or on behalf of clients on the basis of material non-public information; and
- Not inappropriately use their position for a personal benefit.

Employees who violate the Code and the Company's Compliance Manual are subject to disciplinary action including, but not limited to, reprimand, demotion, suspension or termination of employment, or removal as an officer or supervisor.

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LPC Realty Advisors will provide a copy of its Code of Ethics to any client or prospective client upon request made to its Chief Compliance Officer.

#### Participation of Interest in Client Transactions

Related persons or affiliates of LPC Realty Advisors may co-invest in real estate properties with clients. LPCRA may directly or indirectly through related persons or affiliates, manage the special purpose entities created to own specific real estate properties, and have membership or other ownership interests in each special purpose entity.

#### **Item 12 – Brokerage Practices**

LPC Realty Advisors does not give advice concerning securities. LPCRA does not recommend brokers through which its clients may execute transactions in securities.

Within the contractual terms agreed between LPCRA and the client, LPCRA does not have discretion to invest in real estate properties without first obtaining the client's approval. The client approves the specific pieces of property to buy or sell. LPCRA has discretion to select the real estate brokers to use in connection with the purchase, sale or leasing of the client's real estate properties and commissions to be paid. This discretion may be exercised without obtaining consent of the client provided the broker selected is not related to LPCRA. When LPCRA recommends an affiliated broker, LPCRA fully discloses the terms of the engagement and nature of the relationship to the client and client consent is obtained.

In choosing which broker to select, LPCRA evaluates various factors including depth of knowledge regarding the specific property and local market conditions, the type of property involved, the experience of the broker, the thoroughness and quality of the broker's presentation and the fee charged. While LPC Realty Advisors seeks to obtain competitive commission rates, LPCRA is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission.

#### *Research and Brokerage Services*

LPC Realty Advisors does not obtain proprietary and third-party research services or products with client's commissions ("Soft Dollars").

#### *Directed Brokerage*

LPC Realty Advisors does not accept client's instructions to effect some or all of its transactions with certain real estate brokers.

### **Item 13 – Review of Accounts**

LPC Realty Advisors makes recommendations to its client regarding investment in real estate properties. The client's portfolio of real estate investments is reviewed on a regular basis to monitor property performance and to enable LPCRA to prepare quarterly reports to its client. The performance reviews consist primarily of a comparison of actual investment results for each property against budgeted results. Any material variances are investigated as appropriate. LPCRA conducts more thorough reviews on an annual basis, including for purposes of preparing an analyzing financial projections and assessment of business strategies. In addition, LPCRA carries out interim reviews as necessary in connection with significant transactions affecting particular property holdings.

Each real estate investment has one or more reviewers, depending on its size and complexity. LPCRA instructs reviewers to monitor each real estate investment, including preparing financial projections for each investment. The number of investments assigned to each reviewer varies depending on the size and complexity of the investments and the experience of the reviewer.

LPCRA provides to its clients:

- Quarterly financial statements and investment performance reports;
- Annual audited or unaudited financial statements (as required by client agreement and organizational documents of entity established), property reviews, appraisal reports, budget summaries and evidence of employee bonding;
- Annual internal valuations;
- Tri-annual third-party appraisals of investments; and
- Other information relevant to particular investments as appropriate.

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

LPC Realty Advisors has not entered into arrangements with unaffiliated third-parties (“solicitors”) whereby they are compensated for referring clients to LPCRA.

In addition, LPCRA has not entered into any arrangement under which it receives any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

#### **Item 15 – Custody**

Ownership of client’s real estate properties are recorded pursuant to state laws. Client’s cash is held by FDIC insured banks or a title company for pending acquisitions. For active investments, the client receives statements directly from the banks that hold and maintain the client’s cash.

Clients should carefully review statements received from banks and title companies and compare such official statements to the account statements that LPCRA provides. LPCRA’s statements may vary from the banks’ or escrow agents’ statements based on accounting procedures or reporting dates.

LPCRA may assist the client in selecting cash instruments to invest in pending the use of the cash for a specific real estate transaction. These cash instruments normally take the form of certificates of deposit, money market fund shares, United States government securities, and other similar cash items. These investments are held by the FDIC insured banks or title companies.

#### **Item 16 – Investment Discretion**

##### *Investment Discretion*

LPC Realty Advisors does not give advice concerning securities. LPCRA does not recommend brokers through which its client may execute transactions in securities.

Within the contractual terms agreed between LPCRA and the client, LPCRA does not have discretion to invest in real estate properties without first obtaining the client’s approval. The client approves the specific pieces of property to buy or sell, amounts that should be

invested or properties sold. LPCRA has discretion to select the real estate brokers to use in connection with the purchase, sale or leasing of the client's real estate properties and commissions to be paid. This discretion may be exercised without obtaining consent of the client provided the broker selected is not related to LPCRA. When LPCRA recommends a broker that is affiliated with LPCRA, the terms of the engagement and nature of the relationship are fully disclosed to the client and client consent is obtained.

Investment guidelines and restrictions must be provided to LPCRA in writing.

#### *Conflicting Transactions*

LPCRA may recommend a purchase or sale of a property for its client where a related person or affiliate is on the other side of the transaction. On these occasions, LPCRA will ensure that the client is aware of the conflicts in order that the client may make an informed decision with respect to the transaction.

LPCRA utilizes affiliates to source acquisitions capitalizing on each of the regional office's market coverage and local market expertise. Assets are selected for pursuit through the continuous interaction between LPCRA and its affiliates. However, LPCRA may compete with other sources of capital for projects identified by its affiliates. LPCRA mitigates the risks associated with competing offers by independently analyzing the investment and utilizing an Investment Committee that does not have a conflict of interest with LPCRA's client.

From time-to-time, various potential and actual conflicts of interest may arise from the activities of affiliates. Affiliates may take action that may differ from or conflict with action taken by LPCRA for its client. These activities may adversely affect the prices and availability of other investments held by or potentially considered for its client.

#### **Item 17 – Voting Client Securities**

Investments in real estate properties do not involve the voting of proxies. Accordingly, LPC Realty Advisors does not maintain a Proxy Voting Policy.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition.

LPC Realty Advisors does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. In addition, LPCRA has not been the subject of a bankruptcy proceeding.