

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of **Walker & Dunlop Fund Management LLC** ["WDFM" or "Adviser"]. If you have any questions regarding the contents of this Brochure, please contact us at 301-215-5500 and/or via electronic mail at rlucas@walkerdunlop.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. WDFM 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 Adviser provide you with information with which you may determine to hire or retain advisory services. Additional information about WDFM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document (“brochure”) provided to clients as required by SEC rules. This Brochure dated March 31, 2011 is a document prepared according to the SEC’s new requirements and rules. Therefore, this document is materially different from, and requires certain new information, that the previous Form ADV did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and will provide a summary of such changes. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting Richard Lucas at 301-215-5500 and/or via electronic mail at rlucas@walkerdunlop.com. Additional information about WDFM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser, if applicable.

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Item 4 – Advisory Business

WDFM, a Delaware limited liability company which has been in business since 2007, provides investment advisory services on a discretionary basis to a private fund, W&D Balanced Real Estate Fund I, LP (“Fund”) in which institutional investors participate as investors.

WDFM provides advisory services including investment origination, asset management, and disposition, to its client related to direct and indirect investments in real estate structured as both debt and equity interests. WDFM’s services are investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. These services may include: (i) development of investment policy; (ii) asset allocation; (iii) portfolio implementation and management and (iv) performance evaluation. Advisory services are tailored to the individual needs of the client taking into consideration the client’s risk tolerance, time horizon, tax status, liquidity needs, return objectives and preferences for investment vehicles. Its Client may impose restrictions on WDFM with respect to investing in certain securities or types of securities.

WDFM does not tailor its advisory services or investment objectives or strategies to the requests or needs of individual Fund investors. Investors in the Fund are not permitted to restrict the Fund’s investments. For more detailed information regarding the Fund’s restrictions refer to the Fund’s offering memorandum.

William Mallory Walker, Managing Member and President, owns WDFM. As of February 28, 2011, WDFM managed discretionary client assets valued at \$54.7 million. WDFM does not manage assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Fee arrangements are based on assets under management or capital invested. The Fund has a performance-based fee arrangement based on Fund return performance. The Fund may pay an origination fee based on the amount of new mortgage loans committed.

Private Funds

The Fund will pay to WDFM, an investment management fee (“Management Fee”) equal to a percentage per annum multiplied by (i) from the initial closing until the termination of the investment period, as defined in the Fund’s private offering memorandum, aggregate subscribed Commitments, and (ii) thereafter, the Fund’s assets under management valued at the original acquisition cost of each investment, which cost shall include any customary costs related to the acquisition of such investment including, but not limited to, legal fees, due diligence costs, brokers’ fees, and premiums and discounts.

The Management Fee shall be calculated and paid quarterly in arrears commencing on the initial closing and will be prorated for any partial period. The Management Fee is deducted from client assets and will be either paid out of distributable proceeds, borrowings under credit facilities, or capital contributions of the investors. The Management Fee commenced as of the date of the initial closing regardless of when an investor is actually admitted as a limited partner of the Fund.

Performance Fee

After payment of Fund expenses (including Management Fees as described above), establishment of any reserves by WDFM, and subject to both tax distributions and required income tax withholding, any dividends or interest income earned on Fund investments and net proceeds attributable to the repayment, sale or other disposition of Fund investments, will be distributed to WDFM and all limited partners in the following order of priority:

- (1) First, to the limited partners in proportion to funded commitments, subject to clause 2 below;

(2) Second, to the extent that cumulative distributions to the limited partners in respect of investments then or previously disposed of (“Realized Investments”) together with any net interest income earned on any investments distributed equals the aggregate of the following: (a) the funded Commitments attributable to such investments; (b) the portion of all organizational expenses and net management and other fees and expenses paid by the Fund from funded Commitments, allocated pro rata to such Realized Investments; and (c) a return equal to a 10% annual pre-tax rate of return, compounded annually, on the amounts included in items (a) and (b) above (the “Preferred Return”), then all further distributions with respect to such Realized Investments will be made 80% to the limited partners in proportion to funded Commitments, and 20% to WDFM as its “Carried Interest.”

If WDFM has previously received a Carried Interest distribution but, as of the date a subsequent distribution is to be made, the limited partners of the Fund have not received the Preferred Return with respect to all Realized Investments, then WDFM shall not receive any subsequent Carried Interest distribution until such time as the limited partners of the Fund have received aggregate distributions which provide them with the Preferred Return. At the time of final liquidation of the Fund, WDFM will repay any Carried Interest it has received to the extent necessary to provide the Preferred Return to all limited partners on a cumulative basis.

Expenses

The Fund will be responsible for all out-of-pocket expenses incurred by WDFM and its affiliates in connection with the Fund’s business (the “Fund Expenses”), including: (a) all expenses of organizing the Fund and offering the interests in the Fund, subject to an overall aggregate cap on offering expenses of \$375,000 (but any placement fees with respect to the sale of interests of the Fund shall be borne by WDFM and its affiliates without reimbursement by the Fund); (b) all legal, accounting, and other professional fees relating to any leverage obtained by the Fund, including any collateralized debt obligation (“CDO”), subscription loan facility, repurchase loan facility or similar financing arrangement established directly or indirectly by the Fund (although it is anticipated that such expenses will be paid out of the underlying financing transaction); (c) subject to certain limitations associated with the standard of care to which Indemnified Parties (as defined in the Fund’s offering memorandum) are subject; all litigation-related and indemnification expenses; and (d) all ordinary administrative expenses of the Fund, including fees of third-party fund administrators, auditors, attorneys, tax advisors and other consultants, appraisers and other professionals, investor servicing and the cost of preparation of reports to investors and tax projections. The Fund will not be responsible, however, for the compensation of officers and employees and office overhead of WDFM or any of its affiliates, but will be responsible for third-party costs such as mailing and messenger expenses, travel related to the Fund and its potential investments and costs incurred in connection with investor servicing and the preparation of Fund reports to investors.

For more detailed information and a complete description regarding the Fund’s fees and expenses refer to the Fund’s offering memorandum. In addition, see Item 12, regarding Brokerage Practices.

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

WDFM has entered into a performance fee arrangement with the Fund. The performance-based fee arrangement may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Item 7 – Types of Clients

WDFM’s services are provided to the Fund in which institutional investors participate. WDFM will not be providing advisory services to any other client.

Although currently closed to new investor subscriptions, the Fund’s governing document indicates that the Fund has a minimum commitment of \$2,000,000 unless WDFM, in its sole discretion, accepts a lesser amount.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

WDFM advises its client with respect to investments in real estate. These investments consist primarily of mortgage loans, real estate equities, mezzanine loans secured by ownership interests in entities that own commercial real estate, and subordinate participations in mortgage loans (commonly known as “B-Notes”).

WDFM’s analysis methods, sources of information, and investment strategies are consistent with the analysis methods, sources of information, and investment strategies commonly used by institutional investors specializing in real estate debt and equity (estimating future cash flows for the properties based on a review of the leases, prior operating histories of the properties and other relevant information).

As part of WDFM’s asset management services, the Adviser may provide loan servicing with respect to certain of the assets held by its client. The cost to its client for these services is included in asset management fees charged to such client.

Objective investment criteria have been established in order to ensure that potential investments meet the risk/return profile of the Fund, but within these investment constraints, WDFM has significant investment discretion to ensure that the Fund’s investment activities remain focused where value can be identified.

RISKS

It is possible that some of the investment vehicles and direct investments selected by WDFM will not meet all of the Fund’s investment criteria, and that some or all of the investments selected by WDFM will not perform as anticipated. Depending on conditions and trends in the financial and securities markets and the economy in general, WDFM may pursue any objectives, employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of its client that may not be described above subject to restrictions imposed by its client. There can be no assurance that WDFM’s investment strategy will achieve profitable results, and results may vary substantially over time. Past performance of the Fund managed by WDFM or past performance of WDFM or its affiliates are not indicative of future results. Investors risk the loss of their entire investment.

The risks below are summaries of the material risks of WDFM’s primary investment strategies. For more detailed information regarding the Fund’s risks refer to the Fund’s offering memorandum.

Real Estate Risks

The investments both in debt and in equity/fee ownership of real estate will be subject to the same risks as direct ownership and operation of commercial real estate and/or risks incident to the making of mortgage loans secured by real estate. Investments will face risks associated with both the domestic and international economic climate, local real estate conditions, changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building), energy and supply shortages, various uninsured or uninsurable risks, natural disasters, interest rates and other factors beyond WDFM’s control. Investments in real property are also subject to the risks of changes in patterns of employment and transportation, adverse demographic trends and changes in adjacent land utilization. There is also the risk of changes in the investment climate for real property, including changes to governmental policies, such as changes in zoning, building, land use, fire, safety and health laws and regulations, changes to real estate tax rates and changes to other carrying and operating expenses. Investments in real property are also subject to risks to the physical assets, including structural and non-structural problems with the real property and the improvements.

Lending Risks

Each of the types of debt in which WDFM may invest on behalf of its client carries risk.

Whole Loans. Commercial mortgage loans are secured by commercial property and are subject to risks of delinquency in payments by borrowers and foreclosure. The ability of the borrower to repay such loans is generally dependent upon successful operation of the property that, in turn, is dependent upon such factors as tenant mix, success of tenant business, property location and condition, competition from similar properties, decline in real estate values and/or rental rates, and increases in operating expenses. In the event of a default on a whole loan, the Fund may have to foreclose on the loan. Foreclosure can be an expensive and lengthy process that could materially adversely affect the anticipated return on the loan.

Bridge Loans. The borrower under a bridge loan has usually identified an undervalued asset that has been under-managed or is located in a recovering market. If such market fails to recover as projected by the borrower, or if the borrower fails to improve the quality of the management, or the value, of the property, the borrower may not be able to meet its obligations under the bridge loan. Moreover, bridge loan borrowers usually replace or repay the bridge loan with a conventional mortgage loan. The client's portfolio may become dependent on the borrower's ability to obtain permanent financing to repay the bridge loan, which will be dependent, in turn, upon market conditions and other factors beyond the Adviser's control. Bridge loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses not covered by customary insurance.

B-Notes. Client accounts may invest in certain types of subordinated debt, including B-Notes. Such debt is subordinate to significant senior debt, generally resulting in greater leverage than found in traditional senior secured real estate loans. Generally, in an issuer default, there is only one mortgage to work out or foreclose, and the control of the workout, foreclosure or disposition of collateral is controlled by the holder of the senior lien rather than the B-Note holder. This may impair the ability of the B-Note holder to recover its fair share of value out of a troubled loan.

Mezzanine Loans. Mezzanine investments are typically secured by pledges of equity rather than liens on real estate. As a result, any claim, secured or unsecured, that can be asserted against the owner of the real estate is effectively superior to the mezzanine investment. Also, mezzanine investors, in contrast to first mortgage investors, typically do not receive a lien on cash flow, which reduces the power of a mezzanine lender in a default, workout, or bankruptcy.

Preferred Equity. Preferred equity investments are subordinate to debt financing and are not secured. Should the issuer of such equity default, the holder of the investment would only be able to proceed against the entity that issued the preferred equity in accordance with the terms of the preferred security, and not against any property owned by the entity. In the event of bankruptcy or foreclosure, an investor could only recover its investment after any lenders to the entity have been paid. As a result, an investor could lose some or all of its investment in such preferred equity.

Commercial Mortgage-Backed Securities ("CMBS")/Collateralized Real Estate-Collateralized Risk Obligation Securities. These securities evidence interests in, or are secured by, a single commercial loan or a pool of commercial mortgage loans. Accordingly, these securities will be subject to all of the risk of the underlying mortgage loans.

Market Recovery

WDFM's investment strategy for certain assets may rely, in part, upon local market recoveries. No assurance can be given that any such markets will recover since this will depend almost entirely upon events and factors outside the control of WDFM.

Issuer Inability to Pay (Default Risk)

The client's portfolio will bear the risk that a note issuer or other borrower will be unable to pay the amounts owed at maturity. In addition, certain of the mortgage loans may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. There is no assurance that there will be a ready market for resale or refinancing of investments

because investments in real estate generally are not liquid. Such lack of liquidity may result from the absence of an established market for the investments or decline in the value of the real estate or the equity securing the financing. Furthermore there may be strict contractual limitations on the re-sale of subordinated debt instruments, such as B-Notes.

Environmental Considerations

WDFM client's portfolio could face substantial risk of loss from claims based on environmental problems associated with investments. As investors in real property, the client's portfolio may be deemed to have exercised "control" over the operation or management of the property, and may face liabilities associated with past or present environmental damage or contamination. The client's portfolio also face the risk of increased local, state and federal environmental regulations. Changes in environmental regulations could increase the operating expenses of investments or even force a complete change in the use of the real property in which WDFM invests on behalf of its client.

Insurable Risks

WDFM may seek to require owners to maintain adequate insurance against all customary risks of loss. Certain casualty losses may be so devastating that the owner may be unable to rebuild even with insurance proceeds, and the client's portfolio may then be unable to realize a profit from that investment.

Reliance on Third Parties to Operate Investments and Service Loans

WDFM will not have management authority for the properties securing debt investments. WDFM will in large part be dependent on the ability of property owners or other third parties to successfully operate the underlying properties. While the majority of the assets will be serviced by an affiliate of WDFM, it is possible that some investments may be serviced by third-party servicers.

Reliance on Key Personnel

The success of the client's portfolio may be substantially dependent on the efforts of Walker & Dunlop, LLC personnel serving WDFM. The loss of the services of one or more of these persons could have a material adverse effect on the operation of the client's portfolio.

Competitive Market for Investment Opportunities

The activity of identifying, completing, and realizing attractive real estate debt investments has from time to time been highly competitive, and involves a high degree of uncertainty. WDFM will be competing for investment opportunities with many other real estate investment vehicles, as well as individuals, financial institutions (such as mortgage banks, funds, insurance companies and investment banks), and other institutional investors. Over the past several years, an increasing number of real estate funds have been formed for the purpose of investing in real estate assets. In a higher interest rate environment, the size of the debt market itself may decrease. There can be no assurance that WDFM will be able to locate and complete investments that satisfy client objectives or realize upon their values or that it will be able to invest fully available capital.

Leverage

Use of leverage may increase returns. In turn, it may also increase the risk of loss in the Fund's portfolio. The Fund's portfolio faces the risk that the cost of its borrowings may increase while the returns on investments remain fixed and that it may be necessary to replace credit facilities at a time when the money borrowed is invested.

Hedging Policies/Risks

In connection with the financing of certain investments, WDFM may employ hedging techniques designed to protect the client's portfolio against adverse movements in interest rates. While such transactions may reduce certain risks, they may entail certain other risks. Thus, while the client's portfolio may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates may result in a poorer overall performance for the portfolio than had WDFM not entered into such hedging transactions.

Risks Associated with Securitizations

WDFM may be involved in the issuance of CDO on behalf of the client's portfolio. It may not be possible to obtain a sufficient amount of eligible securities either to maximize the efficiency of a CDO issuance or to replace existing securities backing CDOs. Moreover, conditions in the capital markets may make the issuance of a CDO less attractive, even if the client's portfolio holds a sufficient pool of eligible securities. In such instances, the client's portfolio may have to seek other forms of financing that may be less attractive.

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 a client's or potential client's evaluation of the Adviser or the integrity of its management. WDFM has no applicable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

All individuals serving, or performing in a capacity with respect to, WDFM, including its owner, William Mallory Walker and other principal executive officers and portfolio managers, are employees of Walker & Dunlop, LLC. Through its subsidiary, Walker & Dunlop, LLC, Walker & Dunlop, Inc. (NYSE: WD) is a provider of commercial real estate financial services in the United States, with a primary focus on multifamily lending. As a result of common and overlapping ownership by the Walker family, WDFM and the other Walker & Dunlop entities may be considered under common control based on the definitions associated with Form ADV and in the Investment Advisers Act of 1940.

On occasion, the Fund that WDFM advises may acquire investments from affiliates or enter into transactions in which an affiliate makes a co-investment. Such related party transactions are fully disclosed to and approved by the independent advisory boards of the Fund, or if they occur at fund formation, are fully disclosed in the Fund's private placement memoranda.

In addition to the Management and Performance Fees discussed above, certain affiliates of WDFM may engage in transactions (and receive market rate fees therefore) on behalf of the Fund and its subsidiaries, or provide to (or seek services for) the Fund and its subsidiaries, with parties affiliated with or otherwise closely related to WDFM ("Related Parties") in connection with the Fund's activities (or those of the Fund's affiliates), including servicing, acting as special servicer, CDO manager or collateral manager, providing investment banking and brokerage services, providing financing or financing services (such as those relating to the issuance or underwriting of CMBS or other debt instruments), providing interest rate hedging, and acting as swap counterparty and packaging fees, provided the fees (or equivalent compensation) charged for such services do not exceed comparable rates charged by first-class providers of such services in New York City. WDFM will only receive fees that are permitted under the Fund or other client governing documents.

The Adviser serves as the investment adviser to the Fund. The Adviser has adopted a Code of Ethics concerning trading by personnel of the Adviser that is designed to detect and prevent potential conflicts of interest between the Adviser and its client. Please refer to Item 11 below for additional information regarding the Adviser's Code of Ethics.

Item 11 – Code of Ethics

WDFM has adopted a Code of Ethics and Personal Trading Policy in compliance with Investment Advisers Act of 1940 ("Advisers Act") Rule 204A-1. The Code of Ethics requires all associated persons to adhere to the highest ethical standards; placing the client's interest before personal interest. Employees are required to conduct themselves in such a manner that transactions for the Adviser's client shall have priority over any personal transactions. Personal transactions may not operate adversely to the interests of the Adviser's client. The Adviser requires employees to submit monthly reports disclosing all trading activity of the employee or any immediate family or household member. The Code of Ethics requires access persons to report initial and annual holdings reports, and to pre-clear transactions in initial public

offerings and private placements. In addition, the Code has outlined the sanctions for failing to comply with the Adviser's Policies and Procedures. The Code of Ethics is available upon request by contacting Richard Lucas at 301-215-5500 and/or via electronic mail at rlucas@walkerdunlop.com.

Item 12 – Brokerage Practices

WDFM only offers investment advice with regard to real estate-related investments rather than advice, and execution with respect to, securities traded through broker-dealers. Accordingly, it does not execute transactions on behalf of its client through broker-dealers.

Item 13 – Review of Accounts

Portfolio managers monitor the performance of the Fund's investments on a day-to-day basis. Additionally, these portfolio managers are constantly evaluating the Fund's investment portfolio and considering additional investment opportunities. Portfolio managers are generally either "senior vice presidents or vice presidents", "principals" or "managing directors". Performance of the properties underlying the investments that are asset managed by WDFM is monitored on a monthly basis by employees performing asset management services for Walker & Dunlop, LLC and its affiliates. These services are provided by Walker & Dunlop, LLC under a services agreement with WDFM.

WDFM client or investors receive periodic reports (typically quarterly and annually) consistent with the requirements of fund documents or advisory agreements and with customs and practices in the private real estate equity fund industry. Each Fund investor will receive annual audited financial statements and unaudited monthly statements of their capital account along with weekly and monthly unaudited estimates of the Fund's performance.

Item 14 – Client Referrals and Other Compensation

The Adviser does not engage the services of solicitors to assist the Adviser in securing advisory clients or additional investors in the Fund.

Item 15 – Custody

As investment adviser to the Fund, WDFM has custody of the Fund's funds and securities through its ability to access and control these assets and withdraw them from accounts as qualified custodians. WDFM satisfies its custody obligations by ensuring that the Fund is audited as required by the Adviser's Act Custody Rule and that investors in the Fund receive the financial statements resulting from such audits as required.

Item 16 – Investment Discretion

The investment management agreement between WDFM and the Fund provides that, except as restricted by law, WDFM has full and absolute discretionary power to manage the assets of the Fund and its affiliates. The Agreement provides that, if any investor in this entity is subject to the Employee Retirement Income Security Act ("ERISA"), WDFM will not knowingly permit the Fund to engage in a transaction that would be prohibited under ERISA if an investor in the Fund would be prohibited by ERISA from engaging in such transaction.

With respect to private real estate equity fund clients, WDFM has discretion over the Fund's investment decisions, subject to the investment restrictions set forth in the Fund's organizational documents.

WDFM does not exercise discretion with respect to other client investment activity.

Item 17 – Voting Client Securities

WDFM does not, as a matter of practice, vote proxies on behalf of our advisory client. Given the nature of the real estate investments made by WDFM, the Fund's investments will not generally have proxies.

Item 18 – Financial Information

A registered investment adviser is required to provide clients with certain financial information or disclosures about its financial condition. WDFM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.