

## **AVP Advisors, LLC**

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### **FORM ADV PART 2A BROCHURE**

**This ADV Part 2 brochure provides information about the qualifications and business practices of AVP Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 310.689.7700. 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 AVP Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for AVP Advisors, LLC is 154269.**

**AVP Advisors, LLC became an SEC-registered investment adviser on June 24, 2010. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.**

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated February 22, 2013, there are no material changes to report.

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## Item 4 Advisory Business

AVP Advisors, LLC ("AVP" or "the Firm") is a registered investment adviser based in Los Angeles, California. AVP is organized as a limited liability company under the laws of the State of Delaware and has been providing investment advisory services since its founding in 2004. The firm is wholly owned and managed on a day-to-day basis by a team of real estate investment professionals including Richard Ziman, Barry Chase, Amy Ko and Mark Albertson. The Firm became an SEC-registered investment adviser on June 24, 2010.

AVP serves as the investment adviser for the AVP Emerging Manager fund of funds platform which is a series of private equity investment vehicles with an investment strategy of linking institutional investors with successful small to mid-sized real estate managers referred to as "Emerging Managers". The AVP fund series provides an opportunity for institutional investors to access top performing local real estate investment managers. AVP believes these firms will deliver superior access to investment opportunities in the local markets in which the Emerging Managers specialize. Our Emerging Managers platform is the only advisory service that we offer, and this service is offered strictly to institutional clients.

The following paragraphs describe our service. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to the needs of our institutional clients. As used in this brochure, the words "we", "our" and "us" refer to AVP Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees and all individuals providing investment advice on behalf of our firm.

### **American Value Partners Fund I**

The Firm currently serves as the investment adviser to the American Value Partners Fund I, L.P. (the "Fund"), a discretionary private real estate fund formed for the purpose of investing in other real estate funds and joint ventures organized by Emerging Managers to invest predominantly within dynamic growth markets and areas of urban revitalization.

Interests in the Fund were offered to a limited number of institutional investors on a private placement basis. The Fund is currently closed to additional investors.

### **Separately Managed Account**

AVP provides discretionary management services to a separately managed institutional account that is structured as a single investor fund, where the investment objectives are tailored to meet the needs of the client. This account co-invests with the Fund in opportunities identified by one of our Emerging Managers. Once capital is committed to an investment, we monitor the investment's performance on an ongoing basis.

### **Assets Under Management**

The Firm's regulatory assets under management total \$215.6 million as of 12/31/2013. Additionally, the Firm has \$442.5 million of investor capital commitments as of 12/31/2013.

## **Item 5 Fees and Compensation**

For both the Fund and separately managed accounts, we are compensated through a quarterly asset management fee, payable at the beginning of each quarter, and profit participation upon the achievement of a certain return threshold as defined in the respective partnership agreement. At AVP's election asset management fees are paid from the proceeds derived by the real estate ventures or through capital contributions from the investors.

The Fund and separately managed accounts will bear certain expenses that arise due to operating activities, including but not limited to evaluation, acquisition, holding and disposition of each investment as well as audit and tax fees, interest on indebtedness and insurance premiums.

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

Our fee structure includes a performance-based fee paid to an affiliate of the Firm based on a profits participation after a certain threshold is met.

## **Item 7 Types of Clients**

AVP serves as the investment adviser to private real estate funds and separately managed institutional accounts that are organized as single-investor funds. Investors in the Fund and separately managed accounts will be required to make a minimum capital commitment of \$25 million, which we may be waived at AVP's discretion. Investors in the Fund and separate accounts must be (i) "accredited investors," as defined in Regulation D of the Securities Act of 1933, as amended, and "qualified purchasers" under section 2(a)(51) of the Investment Company Act of 1940.

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

AVP's investment objective is to invest with real estate managers seeking value-added or opportunistic real estate investments and separately managed institutional accounts, where the investment objectives are tailored to meet the needs of the client. Typically, AVP's investment strategy is to select Emerging Managers or joint venture partners who have an established expertise in a specific local market and who invest primarily in office, retail, multi-family, hospitality, mixed-use and industrial real estate asset classes. Managers are selected based on their ability to add value through capital improvements, intensive property management, aggressive leasing or redevelopment/development.

Prior to investing in the Fund or a separately managed account, prospective investors are furnished a private placement memorandum that describes the material risks of the proposed investment. Investors should refer to the offering documents for the Fund and separately managed accounts for a complete description of the risks, investment objectives and strategies, fees and other relevant information.

### **Risk of Loss**

Investment in the Fund and separately managed accounts involves a significant degree of risk and is suitable only for sophisticated investors and only as part of such investors' investment program. In addition, there are risks associated with investing in Emerging Funds and separate accounts and with the business activities of such entities. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises

that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. In considering an investment, prospective clients should consider risk factors, which include, but are not limited to, the following:

- Investment selection and allocation
- No assurance of achieving targeted returns
- Illiquidity of LP interests
- Illiquidity of underlying investments
- Lack of operating history
- Reliance on the General Partner and AVP Advisors and their key personnel
- Multiple fees and expenses
- Reliance on others
- Lack of Emerging Managers
- Failure to make capital contributions
- Indebtedness
- Involuntary liquidation of a LP's interests
- Possible dilution of early investors
- Possible lack of diversification
- Uninsured losses
- Delay in providing annual tax information
- Adverse changes in regulation or legislation
- Forward-looking statements - financial projections
- Compliance with laws and regulations

## **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

AVP and its management personnel do not have any of the financial industry activities or affiliations described in Item 10 of ADV Part 2.

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

### **Description of Our Code of Ethics**

AVP has adopted a Code of Ethics as required by SEC Rule 204A-1. Under the Code of Ethics, all advisory personnel of AVP are required to provide periodic securities holdings and transactions reports and are required to obtain pre-clearance for certain investment transactions. A copy of our current Code of Ethics will be furnished to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

Persons associated with our Firm may have an interest in the Fund or separate accounts. Investors or potential investors should refer to the offering documents for detailed disclosures regarding each Associated Person's participation in the investment vehicle.

## **Item 12 Brokerage Practices**

AVP invests client assets in real estate investments through Emerging Managers and separate accounts and does not invest in marketable securities, thus item 12 is not applicable.

## **Item 13 Review of Accounts**

Our investment committee is comprised of Richard S. Ziman, Barry A. Chase, Amy H. Ko and Mark A. Albertson. The investment committee monitors investments and potential investments in the Fund and separately managed accounts on an ongoing basis.

AVP provides investors with quarterly reporting packages for the Funds it manages as well as audited annual financial statements for the applicable Funds.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

## **Item 15 Custody**

AVP provides advisory services only to limited partnerships, limited liability companies, or other pooled investment vehicles that are subject to annual audit; audited financial statements for these Funds are delivered as required by the SEC custody rule.

## **Item 16 Investment Discretion**

Under the terms of the applicable partnership documents, AVP or an affiliate has investment discretion with respect to all client assets. The applicable partnership document provides for the manner in which this discretion will be exercised.

## **Item 17 Voting Client Securities**

AVP does not invest in stocks or other equity securities on behalf of clients, and accordingly does not vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information about us to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities except for operation of our Funds in accordance with exceptions to the SEC custody rule, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.