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This brochure provides information about the qualifications and business practices of the Agriculture Management Division of Mesirow Financial Alternative Investments, LLC ("MFAM"). If you have any questions about the contents of this brochure, please contact us at 312.595.7157 or [glutz@mesiorowfinancial.com](mailto:glutz@mesiorowfinancial.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.

Additional information about Mesirow Financial Alternative Investments, LLC ("MFAI") is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 158314.

**ITEM 2 | Material Changes**

MFAM's Form ADV Part 2A, currently dated March 31, 2014 and as may be amended from time to time, is MFAM's disclosure document prepared based on the Security and Exchange Commission's regulatory requirements. MFAM is required to update this document at least annually, or when an event occurs that may be deemed to have a material impact on MFAM's investment management business and/or on its clients, or when a disciplinary event occurs.

MFAM has no material or disciplinary events to report or disclose.

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## ITEM 4 | Advisory Business

MFAI, a Delaware limited liability company formed in 2011, is an investment advisor registered with the SEC with its principal place of business located in Illinois. MFAI does not provide tax or legal advice. Clients should consult with an expert on matters pertaining to tax or legal issues.

MFAI's sole member is Mesirow Financial Services, Inc., a wholly-owned subsidiary of Mesirow Financial Holdings, Inc.

MFAM will offer advisory services to qualified purchasers and accredited investors through separately managed accounts and comingled vehicles ("Funds").

MFAM is focused on acquiring, leasing, operating, and eventually selling, diversified agricultural investment properties. Through this real-estate asset strategy, MFAM seeks to provide investors with access to the favorable long-term market opportunities that exist in farmland investing.

MFAM's strategy is to acquire a diversified portfolio of agricultural properties at prices and terms that add value for our investors. MFAM strives to maximize returns and control risk through our discretionary decision making, improvements to the land and additional income sources, while maintaining exceptional relationships with farmers and tenants. Investors benefit from increasing agricultural productivity and land value, while practicing a careful stewardship of the land.

### INDIVIDUAL PORTFOLIO MANAGEMENT

MFAM's objective is to achieve a competitive rate of return for investors by acquiring, leasing, operating, and eventually selling diversified agricultural investment properties. MFAM will focus on the acquisition of land suitable for farming and other agricultural purposes, particularly in the Midwest of the United States. MFAM seeks to acquire land having uses and attributes in addition to suitability for row crop farming to help achieve a diversified portfolio of land holdings. Depending upon the specific property, MFAM will lease the property to a third party or operate the property and sell the agricultural products produced.

MFAM expects to achieve diversification in our real estate investments through the following strategies:

- Geographic dispersion of land acquisition;
- Diverse types of agricultural properties;
- Investing in different quality rated acreage;
- Incorporating transitional properties into our portfolio; and;
- Purchasing farms with additional potential sources of income.

MFAM may also attempt to enhance returns through other parallel land use, such as leasing property to alternative energy companies.

Typically, MFAM anticipates that it will seek a liquidity event for investors in approximately five to ten years, depending upon market conditions and other factors. Examples of such a liquidity event may include, but are not limited to, selling some or all of the properties. While MFAM anticipates a liquidity event, investments in MFAM products are entirely illiquid and will only be liquidated at MFAM's discretion. MFAM encourages all investors to review the risks and implications of investing in any product with their tax, legal and investment adviser.

## ITEM 5 | Fees and Compensation

The typical fee structure for MFAM is as follows:

- Asset management fee of 1.0% annually of the total committed capital, 25% paid on the last day of each calendar quarter
- Revenue sharing fee of 20% paid quarterly based on the prior calendar quarter's net revenue

Clients are invoiced in arrears at the end of each calendar quarter based upon the criteria listed above, plus any credit balance or minus any debit balance of the client's account at the end of the previous quarter.

A minimum initial investment of \$10,000,000 is required to invest through a separately managed account or \$5,000,000 through a pooled vehicle. Investment terms in any fund offered by MFAM are determined by the offering documents. This account size may be negotiable. MFAM may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although MFAM has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Investors and client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract or offering documents between the adviser or fund and each client.

**Educational Events:** MFAM employees may benefit from educational events sponsored by service providers to MFAM, such as law firms, audit firms and other professional service firms.

Discounts, not generally available to advisory clients, may be offered to employees' family members and friends of associated persons of the firm.

## GENERAL INFORMATION

**Termination of the Advisory Relationship** Clients have limited liquidity and termination rights, which are based primarily on obtaining a significant majority of the other investors consent. Essentially, a Limited Partner may not voluntarily withdraw any amount from their investment or voluntarily withdraw from the Fund except in very limited circumstances.

**Additional Fees and Expenses** In addition to our advisory fees, clients may be also responsible for the fees and expenses charged by custodians. Clients that invest in MFAM's private investment vehicles structured as limited partnerships are typically responsible for certain expenses relating to the partnership including, but not limited to, the cost of audits, reporting and certain legal expenses.

**ERISA Accounts** In certain circumstances, MFAM may be deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act of 1974 ("ERISA"). If so, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation

**Advisory Fees in General** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## ITEM 6 | Performance-Based Fees and Side-By-Side Management

### PERFORMANCE-BASED FEES

MFAM may accept performance-based fees from clients. Such a performance-based fee is calculated based on a share of revenue generated from a client's portfolio. To qualify for a performance-based fee arrangement, a client (or Fund investor, as applicable) either must demonstrate a net worth of more than \$2,000,000 or must have at least \$1,000,000 under management at the time of entering into a management agreement with MFAM.

Clients should be aware that a performance-based fee arrangement may create an incentive for MFAM to select investments that may be riskier or more speculative than those that may be selected under a different fee arrangement.

Furthermore, as MFAM may have clients that do not pay performance-based fees, MFAM may have an incentive to favor accounts that do pay such fees because compensation MFAM receives from these clients is more directly tied to the performance of the accounts.

## ITEM 7 | Types of Clients

MFAM provides advisory services to qualified purchasers and accredited investors, including but not limited to:

- High net worth individuals
- Pension and profit-sharing plans
- Charitable organizations
- Corporations or other businesses
- Pooled investment vehicles and investment companies
- State or municipal government entities
- Sovereign wealth funds and other foreign entities
- Endowments and Foundations

## ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

### METHODS OF ANALYSIS

Generally, MFAM expects to use the following procedures to identify and evaluate properties obtained through such processes may vary in the discretion of MFAM: First, MFAM will obtain information concerning available properties through private referrals in order to acquire properties at below market value. Also MFAM expects to review available properties through farm publications, brokerage listings and auction notices. A preliminary assessment is done concerning the property's location, accessibility, size and type of farmland. MFAM also does a quantitative review of the property's topography, soil type and condition, and obtains a Soil Productivity Index (SPI) for the farm. If taken to the next step, MFAM does a site inspection of the farm property and notes comparable and adjoining properties. If a farm property is acceptable, MFAM determines whether the property and operation fits within the portfolio in terms of composition and its objective of diversification. The available properties are ranked by expected cost, comparative value, estimated income and potential return. Before the acquisition of any property, MFAM expects to establish an agreement on terms with a potential tenant or operator at a cost or lease rate suitable for MFAM's business plans and goals. If acceptable, MFAM begins negotiations with the owner to purchase the property, emphasizing promptness and fairness.

Risks for all forms of analysis.

Investment in products managed by MFAM involves substantial risk. Prior to any investment, investors should carefully review the risks outlined in any offering material and discuss the investment with tax, legal and investment counsel.

## ITEM 9 | Disciplinary Information

MFAI is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of MFAI's advisory business or the integrity of MFAI's management.

MFAI and its management personnel have no reportable disciplinary events to disclose.

## ITEM 10 | Other Financial Industry Activities and Affiliations

In addition to being a registered investment advisor, MFAI is registered as a commodity trading advisor ("CTA"). As part of its proprietary investing program, MFAI or an affiliate may utilize futures contracts and related options for hedging and yield enhancement purposes.

Management personnel of MFAI may be separately licensed as registered representatives of Mesirow Financial, Inc. ("MFI"), an affiliated broker/dealer. These individuals, in their separate capacity, can effect transactions for which they may receive separate, yet customary compensation.

MFAI and these individuals endeavor at all times to put the interest of the clients first as part of fiduciary duties owed to clients.

Clients should be aware that the receipt of additional compensation by MFAI and its management persons or employees creates a conflict of interest that may impair the objectivity of MFAM and these individuals when making advisory recommendations. MFAI endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment advisor; MFAI typically takes the following steps to address this conflict:

- MFAI attempts to disclose to clients the existence of material conflicts of interest.
- MFAI collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- MFAI's management conducts regular reviews of each client account to verify that recommendations made to a client are suitable to the client's needs and circumstances;
- MFAI requires that its employees seek prior approval of any outside employment activity to ensure that any conflicts of interests in such activities are properly addressed;
- MFAI periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MFAI educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for investment advice

## ITEM 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MFAI has adopted a Code of Ethics, which sets forth high ethical standards of business conduct that MFAI requires of its employees, including compliance with applicable federal securities laws.

MFAI and its personnel owe a duty of loyalty, fairness and good faith towards clients, and has an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

MFAI's Code of Ethics includes policies and procedures for the review of securities transactions as well as initial and annual securities holdings reports that must be submitted by MFAI's access persons. Among other things, MFAI's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. MFAM also has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MFAI's Code of Ethics also provides for oversight, enforcement, and recordkeeping provisions.

MFAI's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

A copy of MFAI's Code of Ethics is available to its advisory clients and prospective clients. You may request a copy by email sent to [jlevine@mesirowfinancial.com](mailto:jlevine@mesirowfinancial.com), or by calling Jeffrey Levine at 312.595.6072.

The principals of MFAI may also be the principals of the general partner of the Funds. The general partner has designated MFAI as having primary responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the Funds. MFAI and its members, officers and employees will devote to the Funds as much time, as it deems necessary and appropriate to manage the business. MFAI and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Funds. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of MFAI management personnel and employees will not be devoted exclusively to the business of the Funds, but could be allocated between the business of the Funds and other of its business activities and those of affiliates.

Investments in the Funds may be offered to advisory clients for whom a partnership investment may be more suitable than would a separate advisory account managed by the firm. Clients who invest in the Funds are not charged any additional advisory fees other than the advisory fee allocated to the limited partners of the Funds.

The Funds are not required to register as an investment company under the Investment Company Act of 1940, as amended, in reliance upon an exemption available to funds whose securities are not publicly offered. MFAI manages the Funds on a discretionary basis in accordance with the terms and conditions of the offering and organizational documents of the Funds.

MFAI and/or individuals associated with MFAI may buy or sell for their personal accounts securities identical to or different from those recommended to its clients. In addition, any related person(s) may have an interest or position in a certain securities that may also be recommended to a client. However, it is the expressed policy of the firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to its clients, MFAI has established the following policies and procedures for implementing its Code of Ethics, to ensure the firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MFAI may put his or her own interest above the interest of an advisory client.
2. No principal or employee of MFAI may buy or sell securities for their personal portfolio(s) where their decision is because of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of MFAI that no person employed by MFAI may purchase or sell any security prior to a transaction(s) being implemented for an advisory account.
4. MFAI requires prior approval for any IPO or private placement investments by related persons of the firm.
5. MFAI maintains a list of all reportable securities holdings for the firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.
6. MFAI has established procedures for the maintenance of all required books and records.
7. MFAI does not intend to custody any securities or assets at MFI, however if it does, clients will be fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MFAI is granted discretionary authority.



9. All of MFAI's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. MFAI requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MFAI has established policies requiring the reporting of Code of Ethics violations to senior management.
12. Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

## ITEM 12 | Brokerage Practices

MFAM only offers private investments to Qualified Purchasers and Accredited Investors. It does not trade securities or otherwise involve brokers.

## ITEM 13 | Review of Accounts

MFAM strives to ensure that each investor has the appropriate risk tolerance, financial support, investment time horizon and liquidity profile to invest in the funds. MFAM does substantial due diligence on each investment opportunity.

**Reviews** While the underlying investment within portfolios are continually monitored, these investments are reviewed periodically. Portfolios are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**Reports** MFAM provides quarterly reports summarizing the quarter's activity, balances and holdings.

## ITEM 14 | Client Referrals and Other Compensation

### CLIENT REFERRALS

MFAI may pay referral fees to persons who introduce advisory business to it. These fees are paid pursuant to the solicitor's rule, SEC Rule 206(4)-3, and ordinarily consist of a percentage of the advisory fees paid to MFAI by the referred client. MFAI may also pay referral fees to unaffiliated solicitors or to employees of Mesirow Financial.

Whenever MFAI pays a referral fee to unaffiliated, third-party solicitors, MFAI requires the Solicitor to provide the prospective client with a copy of this document (Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MFAI;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MFAI by the client will be increased above its normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to MFAI by clients referred by solicitors or by affiliates of MFIM and/or their employees, are not increased as a result of any referral.

It is MFAI's policy not to accept or allow its related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services it provides to clients.

#### ITEM 15 | **Custody**

MFAM does not have actual or constructive custody of client assets at this time.

#### ITEM 16 | **Investment Discretion**

Clients may engage MFAM to provide discretionary asset management services. Clients give MFAM discretionary authority when they sign an investment management agreement with MFAM or complete the subscription documents for a fund.

#### ITEM 17 | **Voting Client Securities**

MFAM does not vote proxies on behalf of clients, as this is not applicable to MFAM's business.

#### ITEM 18 | **Financial Information**

MFAM has no additional financial circumstances to report.

MFAM has not been the subject of a bankruptcy petition at any time during the past ten years