

BERKELEY PARTNERS MANAGEMENT, LLC

Form ADV Part 2A

November 10, 2016

One Sansome Street, 15th Floor
San Francisco, California 94104
(415) 273-4212

This Brochure provides information about the qualifications and business practices of Berkeley Partners Management, LLC. If you have any questions about the contents of this Brochure, please contact Doug Wertheimer at +1(415)273-4206 or dwertheimer@berkeleypartners.com.

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.

Berkeley Partners Management, LLC 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 about which you determine to hire or retain an Adviser.

Additional information about Berkeley Partners Management, LLC is also available on the SEC's Web site at <http://www.adviserinfo.sec.gov>.

ITEM 2 – MATERIAL CHANGES

This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. Since our last update the following material changes have been made to this brochure:

- **Item 4 – Advisory Business** has been updated with current regulatory assets under management of \$319,552,362
- **Item 5 – Performance Based Compensation** has been updated with details of performance based compensation for each of our managed Funds

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ITEM 4 – ADVISORY BUSINESS

Berkeley Partners Management, LLC (“BPM” or the “Firm”) is a Delaware limited liability company formed in 2016. The Firm is wholly owned by Berkeley Advisors Group, LLC (“BA”). BA is majority owned by Industry Capital Holdings, LLC (“IC”). IC started operations in 2003 as a spin-off of Industry Ventures, a \$1+ billion secondaries fund manager co-founded by Norman D. Villarina in New York City in 1998. Industry Capital Holdings, LLC, is majority owned and controlled by its partners and principals, Norman D. Villarina, Aaron Snegg, Doug Wertheimer and Kingston Wu.

BPM provides discretionary investment advisory services to privately held pooled real estate investment vehicles (“Funds”) based on the investment objectives and strategies described in each of the Fund’s offering memorandum and/or investment management agreement. The Funds invest solely in private real estate assets and do not invest in publicly traded securities in any form.

The Firm does not provide investment advice to separately managed accounts nor does it provide investment advice to individual investors in the Funds (“Investors”).

As of October 31, 2016, BPM’s assets under management were \$319,552,362.

ITEM 5 – FEES AND COMPENSATION

BPM receives investment management and performance-based fees from Funds in exchange for investment advisory services provided. Management Fees are based on the value of each Investor’s capital account and are generally 1.5-2.0% per year. Performance-based fees are generally 20%. In accordance with each Fund offering memorandum, performance-based fees are calculated after the stated capital and return requirements are met for each Fund using the European waterfall distribution method.

Management Fees are paid quarterly in advance and performance-based fees are calculated and paid at the time of the fund liquidation. Management fees are debited directly from the Client’s account. Investors receive quarterly statements from the Firm that show the value of the Investor’s capital account and the fees debited from the account.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As stated above, in addition to investment management fees, Berkeley Partners Management also receives performance-based fees from the pooled investment funds managed by the firm. BPM does not manage any client accounts which do not pay performance-based fees.

Performance-based fees may create an incentive for BPM to make investments that are riskier or more speculative than those that might have been made in the absence of such fees.

The performance-based fee or “carried interest,” after a preferred return, is typically 20% and based on the stated distribution schedule for each Fund as described below:

Berkeley Capital Partners I, L.P. (Vintage 2006)

- First, one hundred percent (100%) to each Limited Partner until the cumulative distributions to such Limited Partner equal such Limited Partner’s Capital Contributions;

- Second, one hundred percent (100%) to Limited Partners until the cumulative distributions to such Limited Partners are equal to the Preferred Return six percent (6%) as of the time of such distribution;
- Third, one hundred percent (100%) to the General Partner until the cumulative distributions to the General Partner equal the General Partner's Capital Contributions; and
- Thereafter, eighty percent (80%) to such Limited Partners and twenty percent (20%) to the General Partner.

"Preferred Return" means, with respect to any Limited Partner at any time of determination, an amount equal to a cumulative six percent (6%) per annum, compounded annually, on such Limited Partner's Unreturned Capital outstanding at such time. The Preferred Return shall be prorated for any partial Fiscal Year occurring on the date of the investment.

Berkeley Capital Trust, Inc. (Vintage 2008)

- First, one hundred percent (100%) to each Stockholder until the cumulative distributions equal to the sum of stockholders' total paid-in-capital (excluding the amount of any selling commissions, placement agent fees, broker-dealer fees and similar fees paid by us from such paid-in capital);
- Second, one hundred percent (100%) to each Stockholder until the cumulative distributions to such each Stockholder are equal to the Preferred Return six percent (6%) as of the time of such distribution;
- Third, twenty-five percent (25%) of the amount of any such subsequent distribution to our stockholders so that our stockholders shall receive eighty percent (80%), and our adviser shall receive twenty percent (20%) of the sum of the amount received. of the sum of the amount received (a) by our stockholders as any such subsequent distribution and (b) by our adviser as the related 'performance' fee.

IC Berkeley Partners III, L.P. (Vintage 2013)

- First, one hundred percent (100%) to each of the Partner (including the General Partner) until the cumulative distributions to the applicable Partner equal such Partner's Capital Contributions;
- Second, one hundred percent (100%) to each Limited Partner (including the General Partner or its Affiliates to the extent they hold Limited Partner interests) until the cumulative distributions are equal to the Preferred Return as of the time of such distribution;
- Thereafter, A) eighty percent (80%) to each Limited Partner (including the General Partner or its Affiliates to the extent they hold Limited Partner Interests) and B) and twenty percent (20%) to the General Partner.

"Preferred Return" means, with respect to any Limited Partner at any time of determination, an amount equal to a cumulative nine percent (9%) per annum, compounded annually, on such Limited Partner's Unreturned Capital outstanding at such time. The Preferred Return shall be prorated for any partial Fiscal Year occurring on the date of the investment.

IC Berkeley Partners IV, L.P. (Vintage 2015)

- First, one hundred percent (100%) to each of the Partner (including the General Partner) until the cumulative distributions to the applicable Partner equal such Partner's Capital Contributions;
- Second, one hundred percent (100%) to each Limited Partner (including the General Partner or its Affiliates to the extent they hold Limited Partner interests) until the cumulative distributions are equal to the Preferred Return as of the time of such distribution;
- Thereafter, A) eighty percent (80%) to each Limited Partner (including the General Partner or its Affiliates to the extent they hold Limited Partner Interests) and B) and twenty percent (20%) to the General Partner.

“Preferred Return” means, with respect to any Limited Partner at any time of determination, an amount equal to a cumulative eight percent (8%) per annum, compounded annually, on such Limited Partner’s Unreturned Capital outstanding at such time. The Preferred Return shall be prorated for any partial Fiscal Year occurring on the date of the investment.

IC Berkeley Partners Industrial Income Fund I, LP

- First, one hundred percent (100%) to the Partners in proportion to their respective Priority Return until each Partner receives an amount equal to that Partner’s Priority Return;
- Second, one hundred percent (100%) to the Partners until each Partner receives an amount equal to that Partner’s Unreturned Capital
- Thereafter, eighty percent (80%) to the Partners in proportion to their respective Ownership Percentages and twenty percent (20%) to the General Partner after a 50/50 catch up.

“Priority Return” means, with respect to any Limited Partner at any time of determination, an amount equal to a cumulative seven percent (7%) per annum, compounded annually, on such Limited Partner’s Unreturned Capital outstanding at such time.

ITEM 7 – TYPES OF CLIENTS

BPM provides investment advisory services to unregistered pooled investment vehicles which invest in real estate assets. Interests in these funds are offered to foundations, endowments, corporations, trusts, high net worth individuals and other institutional investors. Investors must qualify as both “accredited investors” and “qualified clients” as currently defined by SEC rules. The minimum initial subscription is \$5 million. BPM may waive or reduce investment minimums for certain Investors at its discretion.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

BPM’s investment goal is to match investors’ capital with value oriented, cash-flowing assets to achieve superior returns on an absolute basis in all market cycles. BPM’s team sources and originates its deals internally as well as based on reputation and strong relationships with numerous real estate brokers and industry professionals. BPM’s investment professionals are uniquely positioned to identify and acquire assets with temporary versus permanent value impairment that it can stabilize and manage through disposition.

Transaction Size: Range from \$5 to \$50 million.

Fund Size: From \$25 to \$500 million.

Ownership: Control or option to do joint ventures with select partners.

Management: BPM trains and builds its management team internally so that they can continue building upon its proven track records of success over multiple business cycles. BPM seeks high integrity management professionals who embrace its risk management discipline, its value-added approach, and long-term investment horizon.

Market size: Market size varies by industry. BPM currently has investment platforms in industrial real estate based primarily in the United States.

As with any investment, investing in these funds involves risk of loss that investors should be prepared to bear. Some of the risks associated with investing in real estate via private funds such as those managed by BPM include, but are not limited to, the following:

- Disruptions in the global capital and credit markets may adversely affect the company's business, results of operations, cash flows and financial condition.
- Difficulties or inability to access capital or extend or refinance existing debt.
- Decreasing (or uncertainty in) real estate/asset valuations, rents and occupancy rates.
- Adverse market reaction to the company's strategic initiatives and their implementation.
- Additions or departures of key management personnel may affect our ability to perform.
- Terrorist activity may adversely affect the markets in which the company's investments are located, possibly increasing market volatility and causing the further erosion of business and consumer confidence and spending.
- Governmental regulatory action and changes in tax laws.
- The company faces risks associated with the use of debt to fund its business activities, including refinancing and interest rate risks.
- Adverse changes in the company's credit ratings could negatively affect its financing activity.
- Failure to hedge effectively against exchange and interest rates may adversely affect results of operations.
- The company's performance and value are subject to general economic conditions and risks associated with its asset class.
- Changes in the general economic climate, including diminished access to or availability of capital (including difficulties in financing, refinancing and extending existing debt) and rising inflation.
- Local conditions, such as oversupply of or a reduction in demand for industrial space, may affect our ability to lease our space.
- Competition from other investors may affect our ability to lease our space.
- The company's ability to provide adequate maintenance and insurance/reserves may affect our ability to manage the asset.
- Increased operating costs may make it challenging to increase the values associated with our investments.
- Increased cost of compliance with regulations may make it challenging to increase the values associated with our property.
- The company may be unable to consummate acquisitions on advantageous terms or at all or acquisitions may not perform as it expects.
- The company may be unable to complete divestitures on advantageous terms or at all.
- Actions by the company's competitors may affect the company's ability to divest properties and may decrease or prevent increases of the occupancy and rental rates of the company's properties.
- Some of our investments are relatively illiquid, making it difficult for the company to respond promptly to changing conditions.
- The company may experience losses that its insurance does not cover.

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 evaluation of BPM or the integrity of BPM's management. BPM has no applicable information to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither BPM, nor its management persons, are registered, or have an application pending to register, as a broker-dealer or a representative of a broker-dealer.

Neither BPM, nor its management persons are registered or have an application pending to register as a futures commission merchant, a commodity pool operator, commodity trading advisor or a representative of the foregoing.

Industry Capital Advisors, LLC, an SEC registered Investment Advisor, is under common control with BPM and shares operations and premises.

Osborne Capital Management, LLC, an SEC registered Investment Advisor, is under common control with BPM but operates independently from BPM.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

In recognition of our fiduciary duty to our clients, and by extension our investors, and in compliance with Rule 204A-1(a) of the Investment Advisors Act of 1940 we have instituted a Code of Ethics. The Code of Ethics aims to eliminate or minimize any conflicts of interest with our clients and investors. It requires our supervised persons to comply with fiduciary obligations to clients and investors and with all applicable securities laws. Additionally, the Code also contains specific requirements relating to personal trading, insider trading, conflicts of interest and confidentiality of client and investor information as well as requiring supervised persons to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year.

BPM clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Douglas Wertheimer at (415)273-4206 or dwertheimer@berkleypartners.com.

ITEM 12 – BROKERAGE PRACTICES

As the Funds managed by BPM invest solely in real estate assets, and not publicly traded securities, to date, BPM has not directly established relationships with any securities brokers.

ITEM 13 – REVIEW OF ACCOUNTS

BPM's investment committee will review all investments on a quarterly basis to ensure that the investments meet the requirements set forth to investors in the various Fund offering memoranda.

BPM issues quarterly and annual reports to investors which generally report and are intended to demonstrate the performance of the Funds' assets as well as providing an asset holding summary and summary of significant events affecting the Funds' holdings. Additionally, each Investor receives an annual K-1 highlighting the tax effects and performance of their investment.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

BPM has entered into placement agreements with Greenhill & Co, LLC, Flying Cloud Securities, LLC and Groton Securities, LLC, FINRA registered broker-dealers. Under the terms of these agreements registered representatives of Greenhill, Flying Cloud and Groton are compensated for introducing investors to the Funds. These placement fees are paid by each Fund's General Partner from a portion of the management and/or performance based fees earned. Such fees do not increase the fees charged to each Investor.

BPM does not receive any compensation for the referral of clients or investors.

ITEM 15 – CUSTODY

Under Rule 206(4)-2 of the Advisors Act (the "Custody Rule"), BPM has custody of the assets of the Funds because a BPM affiliate serves as the general partner of, or in a similar capacity for, the Funds. In accordance with the Custody Rule, each Fund is subject to an annual audit and audited financial statements are distributed annually to each investor within 120 days of the fiscal year end.

ITEM 16 – INVESTMENT DISCRETION

BPM receives discretionary authority from the client at the outset of an advisory relationship to select the particular real estate assets to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Fund.

ITEM 17 – VOTING CLIENT SECURITIES

BPM invests solely in real estate assets and does not invest in publically traded securities. Therefore, it does not take any action or render any advice with respect to the voting of proxies.

ITEM 18 – FINANCIAL INFORMATION

BPM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.