NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP /DC/
Form 424B3
November 10, 2016

Rule 424 (b) (3)
Registration No. 333-199914

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
Senior Debt Securities	$9,850,000.00	$1,141.62

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

(2) The amount in this column has been transmitted to the SEC in connection with the securities offered by means of this pricing supplement.

TRADE DATE: 11/09/2016
PRICING SUPPLEMENT NO. 7214
DATED November 9, 2016
TO PROSPECTUS SUPPLEMENTAL DATED November 10, 2014
AND BASE PROSPECTUS DATED November 6, 2014

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
Medium-Term Notes, Series D
Due Nine Months or More from Date of Issue

Principal Amount:	$9,850,000.00
Issue Price:	100% of Principal Amount
Original Issue Date:	11/15/16
Maturity Date:	09/15/17
Interest Rate:	1.41% per annum

Regular Record Dates:	Each January 1 and July 1
Interest Payment Dates:	Each January 15 and July 15
Redemption Date:	None
Agents' Commission:	None
Form of Note: (Book-Entry or Certificated)	Certificated
Other Terms:	None

Medium-Term Notes, Series D may be issued by the Company in an unlimited aggregate principal amount.

Validity of the Medium-Term Note

In the opinion of Hogan Lovells US LLP, as counsel to the Company, when the notes offered by this pricing supplement have been executed and issued by the Company and authenticated by the trustee pursuant to the indenture, and delivered against payment as contemplated herein, such notes will constitute valid and binding obligations of the Company, subject to bankruptcy, insolvency, reorganization, receivership, moratorium and other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers), and by the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the applicable agreements are considered in a proceeding in equity or at law).

This opinion is based as to matters of law solely on applicable provisions of the following, as currently in effect: (i) the

District of Columbia Cooperative Association Act, as amended (the “Cooperative Association Act”) and (ii) the laws of the State of New York (but not including any laws, statutes, ordinances, administrative decisions, rules or regulations of any political subdivision below the state level). In addition, this opinion is subject to customary assumptions about the trustee’s authorization, execution and delivery of the indenture and its authentication of the notes and the validity, binding nature and enforceability of the indenture with respect to the trustee, all as stated in the letter of such counsel dated November 10, 2014, which has been filed as an exhibit to a Current Report on Form 8-K by the Company on November 10, 2014.

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PART II

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934 and as such may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative thereof or other var thereon or comparable terminology. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to those set forth under the headings "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation" in this Form 10-K. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference herein.

PART I

ITEM 1. BUSINESS.

GENERAL

Acadia Realty Trust (the “Trust”) was formed on March 4, 1993 as a Maryland real estate investment trust (“REIT”). All references to “Acadia,” “we,” “us,” “our,” and “Company” refer to the Trust and its consolidated subsidiaries. We are a fully integrated REIT focused on the ownership, acquisition, redevelopment, and management of high-quality retail properties and urban/infill mixed-use properties with a strong retail component located primarily in high-barrier-to-entry, supply constrained, densely-populated metropolitan areas in the United States along the East Coast and in Chicago. We currently own, or have an ownership interest in these properties through our Core Portfolio (as defined in Item 2. of this Form 10-K) and our Opportunity Funds (as defined in Item 1 of this Form 10-K). We also have private equity investments in other retail real estate related opportunities in which we have a minority equity interest.

All of our assets are held by, and all of our operations are conducted through, Acadia Realty Limited Partnership (the “Operating Partnership”) and entities in which the Operating Partnership owns an interest. As of December 31, 2012, the Trust controlled 99% of the Operating Partnership as the sole general partner. As the general partner, the Trust is entitled to share, in proportion to its percentage interest, in the cash distributions and profits and losses of the Operating Partnership. The limited partners primarily represent entities or individuals that contributed their interests in certain properties or entities to the Operating Partnership in exchange for common or preferred units of limited partnership interest (“Common OP Units” or “Preferred OP Units”, respectively, and collectively, “OP Units”) and employees who have been awarded restricted Common OP Units ("LTIP Units") as long-term incentive compensation. Limited partners holding Common OP and LTIP Units are generally entitled to exchange their units on a one-for-one basis for our common shares of beneficial interest of the Trust (“Common Shares”). This structure is referred to as an umbrella partnership REIT, or “UPREIT”.

BUSINESS OBJECTIVES AND STRATEGIES

Our primary business objective is to acquire and manage commercial retail properties that will provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns. We focus on the following fundamentals to achieve this objective:

- Own and operate a Core Portfolio of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas. Our goal is to create value through accretive redevelopment and re-anchoring activities within our existing portfolio and grow this platform through the acquisition of high-quality assets that have the long-term potential to outperform the asset class.

- Generate additional external growth through an opportunistic yet disciplined acquisition program within our Opportunity Funds (as defined below). We target transactions with high inherent opportunity for the creation of additional value through:

  value-add investments in high-quality urban and/or street retail properties with re-tenanting or repositioning opportunities,

  opportunistic acquisitions of well-located real-estate anchored by distressed retailers or by motivated sellers and opportunistic purchases of debt which may include restructuring.

These may also include joint ventures with private equity investors for the purpose of making investments in operating retailers with significant embedded value in their real estate assets.

- Maintain a strong and flexible balance sheet through conservative financial practices while ensuring access to sufficient capital to fund future growth.

Investment Strategy — Generate External Growth through our Dual Platforms; Core Portfolio and Opportunity Funds

The requirements that acquisitions be accretive on a long-term basis based on our cost of capital, as well as increase the overall Core Portfolio quality and value, are key strategic considerations to the growth of our Core Portfolio. As such, we constantly evaluate the blended cost of equity and debt and adjust the amount of acquisition activity to align the level of investment activity with capital flows.

Given the growing importance of technology and e-commerce, many of our retail tenants are appropriately focused on multi-channel sales and how to best utilize e-commerce initiatives to drive sales at their stores. In light of these initiatives, we have found retailers are becoming more selective as to the location, size and format of their next-generation stores and are focused on dense, high-traffic retail corridors, where they can utilize smaller and more productive formats closer to their shopping population. In addition to retailer multi-channeling initiatives, we also believe that retailers continue to recognize that many of the nation’s urban markets are under-served from a retail standpoint, and we have capitalized on this situation by investing in redevelopment projects in dense urban areas where retail tenant demand has effectively surpassed the supply of available sites. Accordingly, our focus for Core Portfolio and Opportunity Fund acquisitions is on those properties which we believe will not only remain relevant to our tenants, but become even more so in the future. In connection with our Core Portfolio acquisition activity, we may also engage in discussions with public and private entities regarding business combinations.

In addition to our Core Portfolio investments in real estate assets, we have also capitalized on our expertise in the acquisition, redevelopment, leasing and management of retail real estate by establishing discretionary opportunity funds. Our opportunity fund platform is an investment vehicle where the Operating Partnership invests, along with outside institutional investors, including, but not limited to, endowments, foundations, pension funds, and investment management companies, in primarily opportunistic and value-add retail real estate. To date, we have launched four opportunity funds (“Opportunity Funds”); Acadia Strategic Opportunity Fund, LP (“Fund I”), Acadia Strategic Opportunity Fund II, LLC (“Fund II”), Acadia Strategic Opportunity Fund III LLC (“Fund III”) and Acadia Strategic Opportunity Fund IV LLC ("Fund IV"). Due to the level of our control, we consolidate these Opportunity Funds for financial reporting purposes. The Opportunity Funds also include investments in operating companies through Acadia Mervyn Investors I, LLC ("Mervyns I"), Acadia Mervyn Investors II, LLC ("Mervyns II") and Fund II, all on a non-recourse basis. These investments comprise and are referred to as the Company's Retailer Controlled Property Initiative ("RCP Venture").

The Operating Partnership is the sole general partner or managing member of the Opportunity Funds and earns fees or priority distributions for asset management, property management, construction, redevelopment, leasing and legal services. Cash flows from the Opportunity Funds are distributed pro-rata to their respective partners and members (including the Operating Partnership) until each receives a certain cumulative return ("Preferred Return"), and the return of all capital contributions. Thereafter, remaining cash flow is distributed 20% to the Operating Partnership ("Promote") and 80% to the partners or members (including the Operating Partnership).

Reference is made to Note 1 in the Notes to Consolidated Financial Statements, which begin on page F-1 of this Form 10-K ("Notes to Consolidated Financial Statements"), for a detailed discussion of the Opportunity Funds and RCP Venture.

Capital Strategy — Balance Sheet Focus and Access to Capital

Our primary capital objective is to maintain a strong and flexible balance sheet through conservative financial practices, including a moderate use of leverage, while ensuring access to sufficient capital to fund future growth. We intend to continue financing acquisitions and property redevelopment with sources of capital determined by management to be the most appropriate based on, among other factors, availability in the current capital markets, pricing and other commercial and financial terms. The sources of capital may include the issuance of public equity, unsecured debt, mortgage and construction loans, and other capital alternatives including the issuance of OP Units. We manage our interest rate risk primarily through the use of fixed rate debt and, where we use variable rate debt, we use certain derivative instruments, including London Interbank Offered Rate (“LIBOR”) swap agreements and interest rate caps as discussed further in Item 7A. of this Form 10-K.

During January 2012, we established an at-the-market (“ATM”) equity program with an aggregate offering of up to $75.0 million of gross proceeds from the sale of Common Shares. Under this program, we issued approximately 3.3 million Common Shares which generated net proceeds of $73.7 million.

During August 2012, we established a new ATM equity program with an additional aggregate offering of up to $125.0 million of gross proceeds from the sale of Common Shares. Through December 31, 2012, we issued approximately 2.8 million Common Shares which generated net proceeds of $67.8 million. We intend to use the future net proceeds of this or potential future ATM offerings primarily to fund acquisitions directly in the Core Portfolio and through its capital contributions to the Opportunity Funds.

During October 2012, we issued approximately 3.5 million Common Shares in a separate follow-on offering, for $86.9 million. Net proceeds after expenses were approximately $85.8 million. The proceeds were primarily used for acquisitions, including our pro-rata share of acquisitions in Fund IV and for general corporate purposes.

During January 2013, we closed on a new unsecured revolving credit facility of up to $150 million, which matures on January 31, 2016 with an additional one year extension option. As of February 27, 2013, no proceeds have been drawn on this facility.

Operating Strategy — Experienced Management Team with Proven Track Record
Our senior management team has decades of experience in the real estate industry. We have capitalized on our expertise in the acquisition, redevelopment, leasing and management of retail real estate by creating value through property redevelopment, re-anchoring and establishing joint ventures, such as the Opportunity Funds, in which we earn, in addition to a return on our equity interest, Promotes, fees and priority distributions.
Operating functions such as leasing, property management, construction, finance and legal (collectively, the "Operating Departments") are generally provided by our personnel, providing for a vertically integrated operating platform. By incorporating the Operating Departments in the acquisition process, acquisitions are appropriately priced giving effect to each asset's specific risks and returns and transition time is minimized allowing management to immediately execute on its strategic plan for each asset.
Our Core Portfolio consists primarily of urban/street retail properties and neighborhood and community shopping centers located in high barrier-to-entry supply constrained markets. As we typically hold our Core Portfolio properties for long-term investment, we periodically review the existing portfolio and implement programs to renovate and modernize targeted properties to enhance their market position. This in turn strengthens the competitive position of the leasing program to attract and retain quality tenants, increasing cash flow, and consequently, property values. From time to time, we also identify certain properties for disposition and redeploy the capital for acquisitions and for the repositioning of existing centers with greater potential for capital appreciation.
INVESTING ACTIVITIES
Core Portfolio
See Item 2. PROPERTIES for the definition of our Core Portfolio.
For the year ended December 31, 2012, we continued to execute on our strategy of owning a superior Core Portfolio by acquiring, through our Operating Partnership, high-quality, street/urban and suburban retail assets located in densely populated areas for an aggregate purchase price of $224.3 million. Reference is made to Note 2 in the Notes to Consolidated Financial Statements, for a detailed discussion of these acquisitions.
In addition, as of December 31, 2012 we have a current acquisition pipeline of $86.6 million under contract, which is subject to certain closing conditions and as such, no assurance can be given that closing will be successfully completed. See Item 2. PROPERTIES for a description of the other properties in our Core Portfolio.
Since 2010, we have sold one Core Portfolio asset, the Ledgewood Mall. This 517,151 square foot center located in Ledgewood, New Jersey was sold during May 2011 for $37.0 million.
We also make investments in first mortgages and other notes receivable collateralized by real estate, either directly or through entities having an ownership interest therein. During 2012, we invested $43.3 million in first mortgage notes and $46.9 million in other notes receivable. Reference is made to Note 5 in the Notes to Consolidated Financial Statements, for a detailed discussion of our notes receivable and other real estate related investments.
Opportunity Funds
Acquisitions
Fund III
During 2012, Fund III acquired properties for an aggregate purchase price of $108.0 million. Reference is made to Note 2 in the Notes to Consolidated Financial Statements, for a detailed discussion of these acquisitions.
Fund IV
During 2012, Fund IV acquired its first properties for an aggregate purchase price of $151.2 million. Reference is made to Note 2 in the Notes to Consolidated Financial Statements, for a detailed discussion of these acquisitions.

Dispositions
Self-Storage Portfolio
During February 2008, Fund III, in conjunction with Storage Post, acquired a portfolio of eleven self-storage properties from Storage Post’s existing institutional investors for approximately $174.0 million. In addition, we, through Fund II, developed three self-storage properties. The 14 self-storage property portfolio, located throughout New York and New Jersey, totaled approximately 1.1 million net rentable square feet, and was operating at various stages of stabilization. During the fourth quarter of 2012, we sold 12 of the 14 properties in this portfolio for an aggregate sales price of $261.6 million. The remaining two properties are under contract, which we anticipate closing during 2013.
Other Dispositions
During 2012, Funds I, II and III sold four additional shopping centers for an aggregate sales price of $184.1 million. Reference is made to Note 2 in the Notes to Consolidated Financial Statements, for a detailed discussion of these dispositions.
Redevelopment Activities
As part of our Opportunity Fund strategy, we invest in real estate assets that require significant redevelopment. As of December 31, 2012, the Company had eight redevelopment projects, one of which is under construction and seven are in the design phase as follows:
(dollars in millions)

Property	Owner	Costs to date	Anticipated additional costs (1)	Status	Square feet upon completion	Anticipated completion dates
City Point (2)	Fund II	$142.9	$107.1 - $197.1	Under construction	675,000	2015
Sherman Plaza (2)	Fund II	34.7	TBD	In design	TBD	TBD
Sheepshead Bay	Fund III	22.8	TBD	In design	TBD	TBD
723 N. Lincoln Lane	Fund III	6.7	TBD	In design	TBD	TBD
Cortlandt Crossing	Fund III	11.2	35.8 - 44.8	In design	150,000 - 170,000	2016
3104 M Street NW	Fund III	3.0	4.0 - 5.5	In design	10,000	2014
Broad Hollow Commons	Fund III	11.1	38.9 - 48.9	In design	180,000 - 200,000	2016
210 Bowery	Fund IV	7.5	4.0 - 4.5	In design	10,000	2015
Total		$239.9				

Notes:
TBD – To be determined
(1) Anticipated additional costs are estimated ranges for completing the projects and include costs for tenant improvements and leasing commissions.
(2) These projects are being redeveloped by Acadia Urban Development LLC ("Acadia Urban Development"), or subsidiaries thereof, in connection with Fund II's New York Urban/Infill Redevelopment Initiative. See Item 7. of this Form 10-K for further information on the Acadia Urban Development joint venture as detailed in “Liquidity and Capital Resources – New York Urban/Infill Redevelopment Initiative.”
Under Construction
CityPoint — During June of 2007, Acadia-Washington Square Albee and an unaffiliated joint venture partner, California Urban Investment Partners, LLC (“CUIP”) purchased the leasehold interests in The Gallery at Fulton Street in downtown Brooklyn for approximately $115.0 million, with an option to purchase the fee position, which is owned by the City of New York, at a later date. On June 30, 2010, Acadia-Washington Square Albee acquired all of CUIP’s interest in CityPoint for total consideration of $9.2 million and the assumption of CUIP’s share of debt of $19.6 million. The redevelopment will proceed in three phases. Construction is completed on Phase 1, a five-story retail building of approximately 50,000 square feet. Phase 2, which is currently under construction, will consist of

approximately 625,000 square feet of additional retail when completed. Phase 2 will also contain an affordable and market-rate residential component. Phase 3 is anticipated to be a stand-alone mixed use, but primarily residential building, of approximately 650,000 square feet. Completion of the construction of this project is anticipated to be during 2015.

RCP Venture

During 2004, through Funds I and II, or affiliates thereof, we entered into an association, known as the RCP Venture, with Klaff Realty, L.P. (“Klaff”) and Lubert-Adler Management, Inc. (“Lubert-Adler”) for the purpose of making investments in surplus or underutilized properties owned by retailers. Mervyns I and II along with Fund II have invested a total of $62.2 million in the RCP Venture to date on a non-recourse basis. Reference is made to Note 4 in the Notes to Consolidated Financial Statements, for a detailed discussion of the RCP Venture.

While we are primarily a passive partner in the investments made through the RCP Venture, historically we have provided our services in reviewing potential acquisitions and operating and redevelopment assistance in areas where we have both a presence and expertise. In the future, we may seek to opportunistically invest either on our own, with the RCP Venture or with other partners in similar investments, which may include:

- Investment in operating retailers to control their real estate through private equity joint ventures
- Collaboration with financially healthy retailers to create value from their surplus real estate
- Investment in properties, designation rights or other control of real estate or leases associated with retailers in bankruptcy
- Completion of sale-leasebacks with retailers in need of capital

Mervyns Department Stores

In September 2004, we made our first RCP Venture investment. Through Mervyns I and Mervyns II, we invested in a consortium to acquire Mervyns consisting of 262 stores (“REALCO”) and its retail operation (“OPCO”) from Target Corporation. To date, REALCO has disposed of a significant portion of the portfolio. In addition, during November 2007, we sold our interest in, and as a result, have no further investment in OPCO. During 2012, a legal proceeding relating to the disposition of OPCO was settled. Reference is made to Item 3. Part 1 of this Form 10-K for a detailed description of this settlement.

Through December 31, 2012, we, through Mervyns I and Mervyns II, made additional investments in locations that are separate from these original investments (“Add-On Investments”) in Mervyns.

Albertson’s

During June of 2006, the RCP Venture made its second investment as part of an investment consortium, acquiring Albertson’s and Cub Foods. In addition, we have since made Add-On Investments in Albertson’s.

Other RCP Investments

We have also made other RCP investments in Shopko, Marsh, Rex Stores and in Add-On Investments in Marsh. Reference is made to Note 4 in the Notes to Consolidated Financial Statements, for a detailed discussion of these investments.

ENVIRONMENTAL LAWS

For information relating to environmental laws that may have an impact on our business, please see “Item 1A. Risk Factors - Possible liability relating to environmental matters.”

COMPETITION

There are numerous entities that compete with us in seeking properties for acquisition and tenants that will lease space in our properties. Our competitors include other REITs, financial institutions, insurance companies, pension funds, private companies and individuals. Our properties compete for tenants with similar properties primarily on the basis of location, total occupancy costs (including base rent and operating expenses) and the design and condition of the improvements.

FINANCIAL INFORMATION ABOUT MARKET SEGMENTS

We have four reportable segments: Core Portfolio, Opportunity Funds, Notes Receivable and Other. Notes Receivable consists of our notes receivable and related interest income. Other primarily consists of management fees and interest income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies set forth in Note 1 in the Notes to Consolidated Financial Statements. We evaluate property performance primarily based on net operating income before depreciation, amortization and certain nonrecurring items. Investments in our Core Portfolio are typically held long-term. Given the contemplated finite life of our Opportunity Funds, these investments are typically held for shorter terms. Fees earned by us as general partner or managing member of the Opportunity Funds are eliminated in our Consolidated Financial Statements. See Note 3 in the Notes to Consolidated Financial Statements, for information regarding, among other things, revenues from external

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customers, a measure of profit and loss and total assets with respect to each of our segments. Our profits and losses for both our business and each of our segments are not seasonal.

CORPORATE HEADQUARTERS AND EMPLOYEES

Our executive office is located at 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605, and our telephone number is (914) 288-8100. As of December 31, 2012, we had 126 employees, of which 101 were located at our executive office and 25 were located at regional property management offices. None of our employees are covered by collective bargaining agreements. Management believes that its relationship with employees is good.

COMPANY WEBSITE

All of our filings with the Securities and Exchange Commission, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available at no cost at our website at www.acadiarealty.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. These filings can also be accessed through the Securities and Exchange Commission's website at www.sec.gov. Alternatively, we will provide paper copies of our filings at no cost upon request. If you wish to receive a copy of the Form 10-K, you may contact Robert Masters, Corporate Secretary, at Acadia Realty Trust, 1311 Mamaroneck Avenue, Suite 260, White Plains, NY 10605. You may also call (914) 288-8100 to request a copy of the Form 10-K. Information included or referred to on our website is not incorporated by reference in or otherwise a part of this Form 10-K.

CODE OF ETHICS AND WHISTLEBLOWER POLICIES

The Board of Trustees adopted a Code of Business Conduct and Ethics applicable to all employees, as well as a "Whistleblower Policy." Copies of these documents are available in the Investor Information section of our website. We intend to disclose future amendments to, or waivers from (with respect to our senior executive financial officers), our Code of Ethics in the Investor Information section of our website within four business days following the date of such amendment or waiver.

ITEM 1A. RISK FACTORS.

If any of the following risks actually occur, our business, results of operations and financial condition would likely suffer. This section includes or refers to certain forward-looking statements. Refer to the explanation of the qualifications and limitations on such forward-looking statements discussed in the beginning of this Form 10-K.

We rely on revenues derived from major tenants.

We derive significant revenues from certain anchor tenants that occupy space in more than one center. We could be adversely affected in the event of the bankruptcy or insolvency of, or a downturn in the business of, any of our major tenants, or in the event that any such tenant does not renew its leases as they expire or renews such leases at lower rental rates. Vacated anchor space not only would reduce rental revenues, but if not re-tenanted at the same rental rates could adversely affect the entire shopping center because of the loss of the departed anchor tenant's customer drawing power. Loss of customer drawing power also can occur through the exercise of the right, that most anchors have, to vacate and prevent re-tenanting by paying rent for the balance of the lease term ("going dark") as would the departure of a "shadow" anchor tenant that owns its own property. In addition, in the event that certain major tenants cease to occupy a property, such an action may result in a significant number of other tenants having the right to terminate their leases, or pay a reduced rent based on a percentage of the tenant's sales, at the affected property, which could adversely affect the future income from such property (&#822