



## **Form ADV Part II**

### **Required Disclosure Brochure**

This brochure provides information about the qualifications and business practices of Woodridge Capital Portfolio Management, LLC ("Adviser"). If you have any questions about the contents of this brochure, please contact us at the above number.

The information in this brochure has not been approved or verified by the Securities and Exchange Commission or by any state securities authority.

Additional information about the Adviser also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although the Adviser is a "Registered Investment Adviser," that registration does not imply a certain level of skill or training.

## **Item 1: Cover Page**

Brochure of:

### **Woodridge Capital Portfolio Management, LLC**

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Ridgeland, MS 39157

601-957-6006

866-957-6006 (toll free)

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## **Item 2: Material Changes**

Not applicable

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#### **Item 4. Advisory Business**

Woodridge Capital Portfolio Management, LLC (the Adviser) will provide investment advisory services to clients including "Investment Management (Individual Accounts)," "Investment Management (Woodridge Equity Partners L.P.)," and "Hourly Consultation." The Adviser may or may not have control or discretionary authority over any accounts, funds, or securities of the client, dependent upon the type of service selected and agreed to between client and Adviser. The investment strategy recommended to a particular client for advice that is rendered on the basis of the individual needs of a client will be consistent with the client's stated tolerance for risk.

#### **Item 5. Fees and Compensation**

The Adviser provides investment advisory services to clients including "Investment Management (Individual Accounts)," "Investment Management (Woodridge Equity Partners L.P.)," and "Hourly Consultation".

##### A. Investment Management (Individual Accounts)

The Adviser manages investment advisory accounts (managed accounts) as a service to its clients. This advisory service is limited to the purchase, sale, and exchange of securities, as well as determining the amount of securities bought and sold. The Adviser does not have custody of Individual Account client funds or securities. Clients are interviewed at the opening of the account as to their investment experience, liquidity requirements, and tolerance for risk, as well as for general financial information. Client accounts are then guided by the investment strategy of each client's chosen account objective.

In order for the Adviser to provide ongoing services, clients are responsible to advise in writing of: changes in their current financial status, modifications to their account objective, specific investment restrictions if applicable, special reports required if any, and material changes, such as change of address.

##### *Non-retirement Plan Fee Schedule:*

Value of Assets:	Maximum Annual Fee:
On first \$500,000	1.95%
On next \$500,000	1.50%
On next \$4,000,000	1.25%
On assets over \$5,000,000	1.00%

##### *Employer Sponsored Retirement Plans:*

Value of Assets:	Maximum Annual Fee:
On first \$5,000,000	1.00%
On assets over \$5,000,000	0.75%

Unless otherwise arranged, fees will be payable in advance at the beginning of each calendar quarter. The initial fee payment will be due in full when the client account is funded, and will be based on the asset value of the account on that date. The initial payment will apply to the period from account funding date to the last day of the billing period. Future fees will be based on the value of the assets in the client's account at the end of the previous billing quarter. The fee will be pro-rated if the period is less than a full calendar quarter. Client

may instruct the custodian to pay the fee described above out of the assets in the managed account or direct billed. The Adviser reserves the right to negotiate different fee rates with specific clients based on the size of the account, complexity and other relevant factors.

Each investment advisory agreement provides that the agreement between client and Adviser shall be continuous until one party to the agreement terminates the agreement. Each agreement provides that the client may terminate the agreement within 5 business days of its effective date without paying any fees or penalties. The agreement also provides that once the initial 5 day period has passed, either party to the agreement may terminate the agreement at any time by providing written notice to the other party. Fees collected in advance will be refunded on a pro-rata basis. Upon termination, it is the client's responsibility to monitor the securities in the account, and the Adviser will have no further obligation to act or advise with respect to those assets.

Unless otherwise negotiated, clients will be responsible for fees charged by the custodian including but not limited to transaction costs and account maintenance fees. In addition, the custodian may receive rule 12B-1 fees and/or other fees on mutual fund and interest bearing money market funds that it makes available to clients. The Adviser will have no interest in any fees charged by the custodian.

Although the only fees assessed and received by the Adviser are the above listed management fees, investments in mutual funds are also subject to underlying fees for the management and administration of the fund. These fees are not paid by clients directly but charged against the fund's return, effectively reducing the gross return of the fund.

#### B. Investment Management (Woodridge Equity Partners L.P.)

The Adviser manages the account of the Woodridge Equity Partners, L.P. (the "Partnership"), a private investment company, according to the goals and objectives of the Partnership. The primary investment objective of the Partnership is growth of capital. The business of the Partnership is buying and selling securities of medium to large capitalized companies, including stocks, warrants, rights and options of U.S. and non-U.S. entities. The Partnership may invest and trade in public and private securities and may lend funds or assets and borrow money, with and without collateral. The Partnership ordinarily will invest in securities that trade in sufficient volume to allow for swift execution of transactions. Positions in securities may be held for very short periods, even as little as a portion of one day. The Partnership may engage in transactions in exchange-listed options in conjunction with or in lieu of taking a position in underlying securities, including writing uncovered options. The Partnership also may engage in short sales of securities and margin transactions. The Partnership may also invest or trade in cash commodities, commodity futures, or commodity options contracts after securing all necessary registrations from the N.F.A., C.F.T.C., or other regulatory agencies. The Partnership shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes and business described herein, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Partnership by the General Partner.

The Adviser utilizes its own proprietary risk management system that manages the risk in each position to allow it to manage the overall open risk in the entire portfolio. The Adviser is a trend following firm that has systems in place to recognize trends and capitalize on them. Additionally, the Adviser has counter trend tools to take advantage of non-trending markets.

For advisory services to the Woodridge Equity Partners L.P., the Adviser will charge a quarterly management fee payable in advance, of one quarter of 1% of the Partnership's net assets allocable to Limited Partners on the first of such calendar quarter.

#### C. Hourly Consultation

The hourly fee for consultations regarding investment advice is \$290 per hour. Fees are payable upon receipt of the bill for services provided.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

Woodridge Capital Advisors, LLC, the General Partner of the Woodridge Equity Partners L.P., and an affiliate of the Adviser, charges a performance based fee to certain Limited Partners of the Partnership. Pursuant to the Agreement of Limited Partnership, the General Partner will receive a 20% incentive allocation of net profits (or as otherwise agreed upon). Net income includes both realized and unrealized profits as well as interest income. The incentive allocation will be subject to a "high water mark". The starting point for the high water mark is set equal to the cash or market value of the assets initially funding the account. Subsequent contributions shall increase the high water mark, while withdrawals shall decrease the high water mark. The high water mark will reset annually on the first day of each calendar year. Any incentive fees earned by Woodridge Capital Advisors, LLC will be payable at that time.

The General Partner limits investment in the Partnership to sophisticated or accredited investors. The Adviser intends that any performance fees shall be chargeable, in accordance with Rule 205-3 promulgated under the Investment Advisers Act of 1940, only to "qualified clients" as defined under the Rule.

Pursuant to Adviser's management agreement with Woodridge Equity Partners, L.P., advisory services to the Partnership may be terminated on 5 (five) days written notice. If the agreement is terminated before the last day of a quarter, the adviser's fees will be prorated in accordance with the Agreement of Limited Partnership.

### **Item 7. Types of Clients**

The Adviser may provide these services to individuals, trusts, estates, charitable organizations, as well as corporations or business entities other than those listed herein. The Adviser prefers accounts with a minimum investment of \$250,000 for individual accounts and \$500,000 for Woodridge Equity Partners, LP accounts but may waive this minimum.

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

#### A. Determine Overall Market Trend

The Adviser is a trend following firm and implements two primary strategies for managing accounts. Generally, small accounts and retirement plan accounts are managed with mutual funds while larger accounts use individual securities. Both strategies begin by using the Adviser's proprietary system of determining the overall trend of the market. When the market is in a defined positive trend the Adviser invests up to 100% of client's capital in stocks. When there is no defined trend the Adviser moves money to cash, fixed income or other non-correlating investments and waits for a new trend to establish itself. When the trend is defined as a down trend the strategies diverge based on account composition. Mutual fund accounts will typically reduce equity exposure further by continuing to rotate to non-equity investments,

including cash. With individual security accounts the Adviser will take a partial short position by using primarily bear-market Exchange Traded Funds.

#### B. Mutual Fund Selection

Mutual fund selection begins by using fundamental research to identify superior funds and fund managers. This is a proprietary screen of the mutual fund universe that has been developed by the Adviser. Funds are then screened for technical factors such as relative strength before becoming eligible for investment.

#### B. Stock Selection

The Adviser's Trading System (System) is a combination of data filters and statistical algorithms that process a data feed and produce trades that are to be placed on behalf of client accounts. The key components of the System are described below:

**Data Feed:** The data feed is the input into the System. All analysis performed by the System is based on the Data Feed. The Data Feed primarily consists of base trading data (e.g. current prices, current volumes), historical trading data (e.g. past prices, past volumes), and fundamental data (e.g. Earning Per Share, Price to Sales). The Data Feed must be sizable (e.g. over 1000 securities with historical data for at least 2 years) for the System to function properly.

All of the securities are ranked on a daily basis using information in the data feed. The primary ranking equation calculates the current trend of the security (as defined as the recent return divided by recent Average True Range volatility) and multiplies this number by a combination of multiple weighted fundamental factors, such as earnings per share and price to sales ratio. Certain securities' rankings are "handicapped" based on other attributes. For example, companies considered too small have their rankings penalized.

**Entry:** Entry is defined as entering a new position. The primary entry criteria are: A) The Security's Ranking as described above, B) free cash available for investment, C) a defined positive trend in the market and D) an upward trend in the security's price. All of these must be satisfied in combination to warrant an entry.

**Exit:** Exit is defined as selling a position. Numerous rules can trigger an exit. The primary rules triggering an exit are: a) a change in the trend of the security b) a single day drastic up or down movement in the security's price c) a significant change in the security's rank based on the Ranking described above or d) a change in the trend of the overall market.

**Position Sizing:** The System assumes a base position size of 4% for each new position then adjusts this position upward or downward based on: a) the relative change in volatility as calculated by the recent Average True Range of the security and b) the available free cash to invest. In general, the System will recommend a position smaller than 4% only when there is not enough cash available to create a 4% position. No position size smaller than 1% is ever recommended for entry. In general, if the volatility has recently fallen then a position slightly larger than 4% will be recommended by the System.

#### **Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliation**

Not applicable.

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

The Adviser has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, which establishes standards of conduct for the Adviser's supervised persons. The Code of Ethics includes general requirements that the Adviser's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Adviser directly.

Under the Adviser's Code of Ethics, the Adviser and its principals, officers and employees may personally invest in securities of the same classes as the Adviser purchases for clients. This creates a potential conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions for a client account to profit personally by the market effect of such transactions. To address this conflict, the Adviser has established a Trading Policy for all principals, officers and employees of the Adviser. Clients and prospective clients may obtain a copy of the Trading Policy by contacting the Adviser directly.

**Item 12. Brokerage Practices**

Unless otherwise instructed by a client, the Adviser has discretion in selecting the broker that it uses for client transactions. Currently the Adviser uses Charles Schwab & Co. and Raymond James Financial Services for non-retirement plan client account custody and trade execution. Commission rates that clients pay are negotiated by the Adviser but ultimately set by the brokers. In selecting a broker for client account custody the Adviser may consider a number of factors, including, for example:

- \* transaction charges;
- \* net price, clearance, settlement and reputation;
- \* financial strength and stability;
- \* efficiency of execution and error resolution;
- \* block trading and block positioning capabilities;
- \* offering to the Adviser on-line access to computerized data regarding clients' accounts;
- \* custody, recordkeeping and similar services;
- \* computer trading systems; and
- \* on-line pricing;
- \* quotation services

Employer sponsored retirement plan accounts are custodied at MG Trust, with certain accounts being traded through TD Ameritrade, Inc. by client request.

### **Item 13. Review of Accounts**

Client accounts are monitored on a continuous basis with a formal review conducted at least quarterly. Additional reviews may be provided at the client's request, material changes in the client's financial condition or pursuant to the terms of the executed agreement for services. Personnel currently performing reviews are Roger Davis, Barry Smith, Clark Smith, and Danny Williams.

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

The Adviser may at times permit qualified individuals to act as solicitors on its behalf, and to receive a portion of advisory fees paid by clients solicited. Solicitors are not permitted to render investment advice to the Adviser's clients. Persons interested in becoming solicitors will be required to execute, prior to any solicitation activity, an appropriate solicitor's agreement with the Adviser. It is the policy of the Adviser to comply with Rule 206(4)-3 of the Investment Advisers Act of 1940 as well as any state registration requirements that may apply to solicitors.

### **Item 15. Custody**

#### Individual Accounts

The custodian of each individually managed Account sends Account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from the Adviser.

#### Employer Sponsored Retirement Account

The custodian of each Employer Sponsored Retirement Account makes electronic account statements available monthly to participants. In addition, the Adviser sends account statements to participants quarterly which are printed from the custodian's website. Each client should carefully review those statements whether provided by the custodian or the Adviser.

#### Woodridge Equity Partners L.P

The Adviser has custody with respect to the accounts of Woodridge Equity Partners, L.P., its' pooled investment partnership client. Woodridge Equity Partners, L.P. is audited each year by an accounting firm that is overseen by the Public Company Accounting Oversight Board ("PCAOB"). Woodridge Equity Partners, L.P.'s audited financial statements are distributed to its limited partners each year.

### **Item 16. Investment Discretion**

The Adviser has discretionary authority to manage securities accounts on behalf of clients pursuant to the Adviser's Investment Advisory Agreement and the limited power of attorney in each client's brokerage account agreement. Discretion is limited by the requirement that clients advise the Adviser of including:

- \* investment objectives of the Account;
- \* changes or modifications to those objectives; and
- \* specific investment restrictions relating to the Account.



**Item 17. Voting Client Securities**

Unless otherwise directed in writing, the Adviser does not assume responsibility to take action or render advice with respect to the voting of proxies with respect to securities owned.

**Item 18. Financial Information**

Not Applicable.

**Item 19. Requirements for State-Registered Advisers**

Not Applicable.

**Woodridge Capital Privacy Policy**

Maintaining client trust and confidence is a high priority. That's why we want you to understand how your privacy is protected when we collect and use information about you, and the steps that are taken to safeguard that information.

Information Collected:

In connection with providing investment advice or other services, the Adviser obtains non-public personal information about clients, including:

- \* Information received from the client on account application
- \* Information about client transactions with the Adviser or others
- \* Information received from other third parties

Information Disclosed:

The Adviser will not disclose information regarding clients or client accounts with any party except under the following circumstances:

- \* To clients' authorized representatives such as accountants, attorneys, etc.
- \* To establish or maintain an account with an unaffiliated third party, such as a broker providing services to clients
- \* To government entities or other third parties in response to subpoenas or other legal process as required by law
- \* To such third parties who may be used for transaction and custodial services to the extent permitted by law.

## **Brochure Supplement**

This Brochure Supplement provides information about the owners of Woodridge Capital.

### **Educational Background and Experience**

#### **Barry C. Smith (DOB: 2/2/1955)**

##### Education:

B.S. Degree Mississippi State University 1977  
M.B.A. Millsaps College 1983  
ABA School of Funds Management 1986

##### Employment History:

Barry C. Smith, Independent Investment Adviser, 01/1998 to 07/2006  
Trustmark Financial Services, Inc, President, 12/91 to 12/97  
Trustmark National Bank, Head Investment Services, 9/1983 to 12/1997  
Woodridge Capital Portfolio Management, LLC, 01/2006 to present

#### **Roger C. Davis (DOB: 8/3/69)**

##### Education:

B.S. Degree University of Mississippi 1991

##### Employment History:

UBS Financial Services, Inc, 05/2000 to 09/2005  
JC Bradford, 12/1996 to 5/2000  
Morgan Stanley/Dean Witter, 12/1992 to 12/1996  
Woodridge Capital Portfolio Management, LLC, 01/2006 to present

#### **Clark Smith (DOB: 2/21/1965)**

##### Education:

B.S. Degree Mississippi State University 1988  
M.B.A. Degree Mississippi State University 1990

##### Employment History:

UBS Financial Services, Inc, 09/2000 to 07/2006  
Woodridge Capital Portfolio Management, LLC, 01/2006 to present

#### **Danny Williams (DOB: 6/25/52)**

##### Education:

B.A. Degree from University of South Florida 1993  
Certified Financial Planner 2002

##### Employment History:

UBS Financial Services, Inc, 09/2000 to 07/2006  
Woodridge Capital Portfolio Management, LLC, 01/2006 to present