

**Item 1 – Cover Page**

**WYNKOOP LLC**

**201 Jackson Street**

**Denver, CO 80206**

**303-459-7200**

**[www.wynkoopfinancial.com](http://www.wynkoopfinancial.com)**

**12/31/2011**

This Brochure provides information about the qualifications and business practices of Wynkoop LLC. If you have any questions about the contents of this Brochure, please contact us at 303-459-7200. 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.

Wynkoop 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 Wynkoop LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

There were no material changes to the ADV Part II since the last update on 7/27/2011.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting KC Lang at 303-459-7200 or [klang@wynkoopfinancial.com](mailto:klang@wynkoopfinancial.com).

Additional information about Wynkoop LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Wynkoop LLC who are registered, or are required to be registered, as investment adviser representatives of Wynkoop LLC.

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#### **Item 4 – Advisory Business**

Wynkoop LLC (“Wynkoop” or “the Manager”) provides investment supervisory services through privately offered (i.e. unregistered) pooled investment vehicles (the “Funds”), generally with a minimum subscription amount of \$250,000, subject to reduction at Wynkoop’s discretion. The Funds are organized as closed-end funds, with the exception of Timberline Fund LP being open-ended. Investors in the Funds primarily consist of high net worth individuals and, to a limited extent, institutional type clients. Currently, Wynkoop does manage two funds that each have a single investor, one of which is a high net worth individual and one of which is an institutional investor. The Funds have the investment objective of long-term capital appreciation through the investment of capital in a broad range of residential mortgage-backed securities, collateralized debt obligations, single-family residential homes, and performing and non-performing residential whole loans. Wynkoop is a fundamental, or value, investor and generally avoids making any investments that rely on quantitative analysis, market timing, day-trading, technical analysis, charting, or any other forms of analysis. Wynkoop does not offer any financial planning services. The principal owners of Wynkoop LLC are Brandon D. Jundt, William M. Butler, and C. Howard Johnson. As of December 31, 2011, Wynkoop manages \$81.4million.

#### **Item 5 – Fees and Compensation**

Wynkoop’s basic fee schedule for investors in its pooled investment vehicle is described below. Where these investors pay for services by means of performance-based compensation, as described below, there is an incentive for Wynkoop to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated may include unrealized appreciation and depreciation of investments, which may not ultimately be realized. Wynkoop, in its sole discretion, may assess a lower management fee or rate of performance-based compensation with respect to certain investors in the pooled investment vehicles it advises. Wynkoop serves as the manager of eight pooled investment vehicles (the “Funds”). While all of the Funds pay the same base management fee of 1.5% of capital balances annually, the Funds do not all pay the same performance-based fees. The performance-based fees vary in percentage, when they are deemed to be earned and whether or not there is a catch-up for the Manager once the preferred return has been realized. Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC, pay the Manager 20% of profits net of other expenses after their 10% preferred return has been met, with a catch-up to the Manager, on the date of each distribution, which is generally monthly. Steele Street Fund LLC pays the Manager 30% of profits net of other expenses, after the Fund’s 10% preferred return has been met, with no catch-up to the Manager, on an investment-by-investment basis (i.e. once an individual investment has produced cashflow sufficient to repay the Member their initial investment amount in that specific investment and their 10% preferred return for that specific investment, the Manager is entitled to 30% of any additional cashflows). Fillmore Street Fund LLC pays the Manager 15% of profits net of other expenses, after the Fund’s 10% preferred return has been met, with a catch-up to the Manager, on an investment-by-investment basis (i.e. once an individual investment has produced cashflow sufficient to repay the Member their initial investment amount in that specific investment and their 10% preferred return for that specific investment, the Manager is entitled to 15% of any additional cashflows). Clermont Street Fund LLC and Timberline Fund LP pay the Manager 20% of profits net of other expenses, after the Funds’ 6% preferred return has been met, with a catch-up to the Manager.

All management fees paid by all clients (“Funds”) are paid at the end of each billing period and none are pre-paid or paid up front. Wynkoop deducts fees directly from its clients’ accounts. Wynkoop’s clients are the Funds, and generally investors in the Funds have no ability to negotiate the fees that the Fund pays Wynkoop. Wynkoop’s clients, being the Funds, obtain investment advice and recommendations solely from Wynkoop. However, investors in those funds, or potential investors in those funds, have the ability to make similar investments and execute similar strategies through other investment vehicles or with other investment advisors.

Wynkoop serves as the investment adviser and manager to Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC, which were each organized as limited liability companies in the state of Colorado. Investment in Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC are only available to persons who are “accredited investors” under the Securities Act of 1933, as amended, and “qualified clients” under the Investment Advisers Act of

1940, as amended. Investment in Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC is not made available to the general public and Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC are not registered investment companies. Wynkoop manages Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC in its sole discretion, provided that the consent of Members having in excess of 75% of the Membership Interests of all Members is required for certain actions, including: causing the company to file a petition for relief in Bankruptcy, undertaking any action making it impossible to carry on the business of the Company, the merger or consolidation of the Company, the calling of a meeting of the Members, the election of a Manager (other than the initial Manager), the removal of a Manager for certain specified reasons, or the amendment of the Articles or the Operating Agreement.

Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC pay Wynkoop a management fee on the last business day of each calendar month based on the "book value" of the Certificates on the last day of that same calendar month. The management fee shall be equal to one-twelfth of an amount equal to one and five-tenths percent (1.5%) of the "book value" of the Certificates. In addition, Wynkoop is entitled to a form of incentive fee as follows: Monthly distributions of distributable cash accrue 20% to Wynkoop, in so far as those distributions are deemed to be profits, using the GAAP prospective method (without mark-to-market) adjustments as outlined in EITF 99-20. Prior to those distributions, the investors' preferred return account must have a balance of \$0.00. The investors accrue preferred return at a rate of one-twelfth of ten percent (10%) of their monthly outstanding capital balance.

Wynkoop serves as the investment adviser and manager to Fillmore Street Fund LLC which was organized as a limited liability company in the state of Colorado. Investment in Fillmore Street Fund LLC is only available to persons who are "accredited investors" under the Securities Act of 1933, as amended, and "qualified clients" under the Investment Advisers Act of 1940, as amended. Investment in Fillmore Street Fund LLC is not made available to the general public and Fillmore Street Fund LLC is not a registered investment company. Fillmore Street Fund LLC has a lone investor who is a high net worth individual. Wynkoop manages Fillmore Street Fund LLC in its sole discretion, provided that the consent of the sole Member is required for certain actions, including, purchasing or disposing of investments, incurring debt, causing Fillmore to file a petition for relief in Bankruptcy, undertaking any action making it impossible to carry on the business of Fillmore, the merger or consolidation of Fillmore, the election of a Manager (other than the initial Manager), the removal of a Manager for certain specified reasons, or the amendment of the Articles or the Operating Agreement.

Fillmore pays Wynkoop a management fee on the last business day of each calendar month based on the "book value" of the mortgage asset-backed certificates of obligation held by Fillmore ("Certificates") on the last day of that same calendar month. The management fee shall be equal to one-twelfth of an amount equal to one and five-tenths percent (1.5%) of the "book value" of the Certificates. In addition, Wynkoop is entitled to a form of incentive fee as follows: With respect to each group of Certificates (each, a "Certificate Pool"), distributions of Distributable Cash shall first be made to the Member until the Member has cumulatively been distributed an amount that is equal to the total Capital Contributions made by the Member with respect to such Certificate Pool. Such distribution will partially reduce the Member's Net Invested Capital and its Preferred Return Account with respect to such Certificate Pool, but part of such distribution (called the "Residual Distribution") may not reduce either the Member's Net Invested Capital Account or its Preferred Return Account with respect to such Certificate Pool. The portion of such distribution that constitutes the Residual Distribution for such Certificate Pool will be determined based on Fillmore Street Fund LLC's accountant's determination of the return of capital received by Fillmore Street Fund LLC from the Certificates in such Certificate Pool. After the Member has been distributed an aggregate amount that is equal to the total Capital Contributions made by the Member with respect to such Certificate Pool, the next distributions of Distributable Cash will be to the Member until both the Member's Net Invested Capital with respect to such Certificate Pool and its Preferred Return Account with respect to such Certificate Pool are reduced to zero. Then, the balance of the Distributable Cash, if any, with respect to such Certificate Pool will be paid first, entirely to the Manager until the Manager is paid an amount equal to 0.176470588 multiplied by the Residual Distribution for such Certificate Pool, and thereafter, the balance of the Distributable Cash for such Certificate Pool, if any, will be paid 85% to the Member and 15% to the Manager.

Wynkoop serves as the investment adviser and manager to 3rd Avenue Fund LLC which was organized as a limited liability company in the state of Colorado. Investment in 3rd Avenue Fund LLC is only available to persons who are “accredited investors” under the Securities Act of 1933, as amended, and “qualified clients” under the Investment Advisers Act of 1940, as amended. Investment in 3rd Avenue Fund LLC is not made available to the general public and 3rd Avenue Fund LLC is not a registered investment company. Wynkoop manages 3rd Avenue Fund LLC in its sole discretion, provided that the consent of Members having in excess of 75% of the Membership Interests of all Members is required for certain actions, including, causing the company to file a petition for relief in Bankruptcy, undertaking any action making it impossible to carry on the business of the Company, the merger or consolidation of the Company, the calling of a meeting of the Members, the election of a Manager (other than the initial Manager), the removal of a Manager for certain specified reasons, or the amendment of the Articles or the Operating Agreement.

3rd Avenue Fund LLC pays Wynkoop a management fee on the last business day of each calendar month based on the “book value” of the mortgage asset-backed certificates of obligation held by 3rd Avenue Fund LLC (“Certificates”) on the last day of that same calendar month. The management fee shall be equal to one-twelfth of an amount equal to one and five-tenths percent (1.5%) of the “book value” of the Certificates. In addition, Wynkoop is entitled to a form of incentive fee as follows: Distributions of Distributable Cash shall first be made to the Members until each Member has cumulatively been distributed an amount that is equal to the total Capital Contributions made by the Member. Such distribution will partially reduce the Member’s Net Invested Capital and its Preferred Return Account with respect to such Certificate Pool, but part of such distribution (called the “Residual Distribution”) may not reduce either the Member’s Net Invested Capital Account or its Preferred Return Account with respect to such Certificate Pool. The portion of such distribution that constitutes the Residual Distribution for such Certificate Pool will be determined based on 3rd Avenue Fund’s accountant’s determination of the return of capital received by 3rd Avenue Fund from the Certificates in such Certificate Pool. After the Member has been distributed an aggregate amount that is equal to the total Capital Contributions made by the Member with respect to such Certificate Pool, the next distributions of Distributable Cash will be to the Member until both the Member’s Net Invested Capital with respect to such Certificate Pool and its Preferred Return Account with respect to such Certificate Pool are reduced to zero. Then, the balance of the Distributable Cash, if any, with respect to such Certificate Pool will be paid first, entirely to the Manager until the Manager is paid an amount equal to .2500000 multiplied by the Residual Distribution for such Certificate Pool, and thereafter, the balance of the Distributable Cash for such Certificate Pool, if any, will be paid 80% to the Member and 20% to the Manager. If the annualized return to the Members (i.e., the ratio of cumulative Net Investment Income less Manager Profit Participation Account divided by the aggregate Capital Contributions), calculated at the time of each distribution in accordance with Section 6.2 of the Operating Agreement, exceeds 25%, then the credit to the Manager Profit Participation Account shall increase and thereafter be 20% of that portion of the Net Investment Income of the Company to the extent that the annualized return is equal to or less than 25% (as calculated above) plus 30% of that portion of the Net Investment Income of the Company to the extent that the annualized return exceeds 25% (as calculated above).

Wynkoop serves as the investment adviser and manager to Steele Street Fund LLC which was organized as a limited liability company in the state of Colorado. Investment in Steele Street Fund LLC is only available to persons who are “accredited investors” under the Securities Act of 1933, as amended, and “qualified clients” under the Investment Advisers Act of 1940, as amended. Investment in Steele Street Fund LLC is not made available to the general public and Steele Street Fund LLC is not a registered investment company. Steele Street Fund LLC has a lone institutional investor who is a \$600mm mortgage REIT. Wynkoop manages Steele Street Fund in its sole discretion, provided that the consent of the sole Member is required for certain actions, including, purchasing or disposing of investments, incurring debt, causing Steele Street Fund LLC to file a petition for relief in Bankruptcy, undertaking any action making it impossible to carry on the business of Steele Street Fund LLC, the merger or consolidation of Steele Street Fund LLC, the election of a Manager (other than the initial Manager), the removal of a Manager for certain specified reasons, or the amendment of the Articles or the Operating Agreement.

Steele Street Fund LLC pays Wynkoop a management fee on the last business day of each calendar month based on the “book value” of the mortgage asset-backed certificates of obligation held by Steele Street Fund LLC (“Certificates”) on the last day of that same calendar month. The management fee shall be equal to one-twelfth of an amount equal to one and

five-tenths percent (1.5%) of the “book value” of the Certificates. In addition, Wynkoop is entitled to a form of incentive fee as follows: With respect to each group of Certificates (each, a “Certificate Pool”), distributions of Distributable Cash shall first be made to the Member until the Member has cumulatively been distributed an amount that is equal to the total Capital Contributions made by the Member with respect to such Certificate Pool. Such distribution will partially reduce the Member’s Net Invested Capital and its Preferred Return Account with respect to such Certificate Pool, but part of such distribution (called the “Residual Distribution”) may not reduce either the Member’s Net Invested Capital Account or its Preferred Return Account with respect to such Certificate Pool. The portion of such distribution that constitutes the Residual Distribution for such Certificate Pool will be determined based on Steele Street Fund LLC’s accountant’s determination of the return of capital received by Steele Street Fund LLC from the Certificates in such Certificate Pool. After the Member has been distributed an aggregate amount that is equal to the total Capital Contributions made by the Member with respect to such Certificate Pool, the next distributions of Distributable Cash will be to the Member until both the Member’s Net Invested Capital with respect to such Certificate Pool and its Preferred Return Account with respect to such Certificate Pool are reduced to zero. Then, the balance of the Distributable Cash, if any, with respect to such Certificate Pool will be paid first, entirely to the Manager until the Manager is paid an amount equal to .4285714 multiplied by the Residual Distribution for such Certificate Pool, and thereafter, the balance of the Distributable Cash for such Certificate Pool, if any, will be paid 70% to the Member and 30% to the Manager.

Clermont Street Fund Manager LLC (the “Manager”), a special purpose Delaware limited liability company, will manage and control the affairs of the Company in accordance with the Operating Agreement of Clermont Street Fund LLC. The Manager is managed by and is a wholly-owned subsidiary of Wynkoop, LLC, a Colorado limited liability company. Each Member shall have a Preferred Return Account (as defined in the Operating Agreement) which will entitle such Member to certain priority distributions. The Preferred Return Account shall initially be an amount equal to 6% per annum calculated on the Member’s Net Invested Capital (as defined in the Operating Agreement) beginning on the date of investment (but no sooner than the date of the Initial Closing) on a cumulative but not compounding basis and shall be decreased by certain distributions as described below. The Manager will receive an asset management fee of 1.5% of the Net Invested Capital (as defined in the Operating Agreement) minus any distributions of Distributable Cash made to the Manager per annum, paid monthly, and reimbursement for all expenses of the Company reasonably incurred and actually paid by the Manager on behalf of the Company. As the Manager shall determine in its sole discretion, Distributable Cash (as defined in the Operating Agreement) shall be distributed by the Manager to the Members in the following order of priority: first, to the Members in proportion to their respective Percentage Interest, until each Member has received an amount equal to the amount in the Member’s Preferred Return Account; second, to each Member in proportion to their respective Percentage Interest (as defined in the Operating Agreement), until each Member has been distributed the full amount of the Net Invested Capital of such Member; third, to the Manager until the Manager has received an amount equal to the amount in the Manager Profit Participation Account; and fourth, 100% to the Members in proportion to their respective Percentage Interest.

Timberline Fund GP, LLC, a Delaware limited liability company (the “General Partner”), acts as general partner of the Partnership. Wynkoop LLC, a Colorado limited liability company and federally registered investment advisor (the “Investment Manager”), serves as investment manager to the Partnership. The General Partner and the Investment Manager are controlled by Brandon Jundt, C. Howard Johnson, William Butler and David Myers (the “Principals”). For its services to the Partnership, the Investment Manager is entitled to management fees at an annual rate of 1.5% of each Limited Partner’s capital account balance, calculated and payable quarterly in arrears. The General Partner is entitled to a performance-based profit allocation at the end of each year equal to 20% per annum of the Partnership’s net profits attributable to a Limited Partner. The performance-based profits allocation is paid only to the extent that such profits exceed both (i) a “hurdle rate” equal to 6% for the year and (ii) any losses carried forward from prior years, based on a “high water mark” formula.

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

Wynkoop LLC does charge performance fees. These fees are described above in Section 5 - Fees and Compensation for our current funds.

## **Item 7 – Types of Clients**

Wynkoop serves as the manager and investment adviser to Steele Street Fund LLC, Pearl Street Fund LLC, Pearl Street Fund II LLC, Madison Street Fund LLC, Fillmore Street Fund LLC, 3rd Avenue Fund LLC, Clermont Street Fund LLC, and Timberline Fund LP private investment funds which are Wynkoop's only current clients. In the future, Wynkoop intends to advise other to be formed pooled investment vehicles for which it will serve as investment adviser and manager.

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

Wynkoop is a fundamental investor who believes that successful investing in mortgage-backed securities and single-family residential houses is possible through fundamental research on mortgage markets, housing markets and the overall economy. Wynkoop's investment philosophy is based on its belief that current mortgage-backed securities investing is less a process of building and fine-tuning complex mathematical models and more a process of incorporating ground level research into basic cash flow models. Wynkoop believes that the theories on convexity and option-adjusted spread have given way to rapidly changing data on the actual pricing levels needed to sell homes in specific areas.

Wynkoop uses multiple factors to analyze each security, including loss expectations, prepayments, interest rate sensitivity, and other qualitative factors (regulatory environment, servicer practices, geographic location, etc.). Of these factors, Wynkoop places a high importance on the qualitative factors as they will potentially impact all of the other factors.

Investing in securities involves risk of loss that clients should be prepared to bear.

## **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 your evaluation of Wynkoop LLC or the integrity of Wynkoop LLC's management. Wynkoop LLC has had no disciplinary or legal action taken against it.

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

Wynkoop has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders with broker-dealers for client accounts, Wynkoop's primary objective is the ability of the broker-dealer, in the opinion of Wynkoop, to secure prompt execution on favorable terms, including the reasonableness of the commission considering the state of the market at the time. While Wynkoop generally seeks reasonably competitive commission rates, Wynkoop does not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker-dealer to effect client transactions include Wynkoop's knowledge of transaction costs, the nature of the security being traded, the size of the transaction, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker-dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

In connection with executing client transactions, Wynkoop may receive research services from broker-dealers, including economic forecasts, investment strategy advice, fundamental and technical advice, market analysis, statistical services, and analysis of particular securities and investment situations. However, such research services are available to Wynkoop generally whether or not it executes a particular trade through a broker-dealer and Wynkoop does not pay higher commissions in exchange for research services or products and does not direct trades to a particular broker-dealer in exchange for such research services or products. Any research that is provided by broker-dealers is used solely for the benefit of Wynkoop's clients.

## **Item 11 – Code of Ethics**

Wynkoop has adopted a Code of Ethics which imposes on each member and employee the duty to place the interests of clients first, to avoid any actual or potential conflicts of interest or abuse of his or her position, and to not take inappropriate advantage of such person's position in relationship to clients.

Generally, under the Code of Ethics, Wynkoop's members and employees may not effect transactions in securities for their own account, or for accounts in which they have an interest or control (except for the Funds), where such securities are simultaneously contemplated for purchase or sale for a Fund or are being purchased or sold for a Fund. When Wynkoop is purchasing securities on behalf of a Fund that Wynkoop members or employees also desire to purchase individually, such individuals must refrain from making individual purchases until the Fund has accumulated its entire position. Similarly, if Wynkoop members or employees desire to sell the same securities as are held by a Fund and the Fund also anticipates the sale of such securities, such individuals must refrain from effecting any individual sales until the Fund has sold its entire position that it desires to sell at such time. These restrictions may be waived upon the consent of the chief compliance officer on an individual basis upon a determination that the proposed transaction presents no reasonable likelihood of harm to a Fund. The Code of Ethics also contains policies on voting of proxies (although Wynkoop does not typically invest client assets in securities that carry voting rights), fair value pricing procedures for securities for which market quotations are not available, and retention of records.

Wynkoop's members and employees must report all personal securities transactions to the chief compliance officer no less than quarterly, annually certify that they have read and understand the Code of Ethics, and undertake to promptly report all violations of the Code of Ethics to the chief compliance officer.

Wynkoop will provide a copy of its Code of Ethics to the Funds, any members of the Funds or any prospective members of the Funds upon request. Written requests should be sent to Wynkoop LLC, Attention: Brandon Jundt, 201 Jackson Street, Denver, Colorado 80206.

## **Item 12 – Brokerage Practices**

Wynkoop has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders with broker-dealers for client accounts, Wynkoop's primary objective is the ability of the broker/dealer, in the opinion of Wynkoop, to secure prompt execution on favorable terms. Non-agency mortgage-backed securities do not trade with commissions, as they trade over-the-counter and the broker/dealers make money on the bid/offer spread, which is generally much wider than the bid/ask spread in the publically-traded equities markets. In most instances, buy-side accounts do not know the mark-up or bid/offer spread of any position that they are buying or selling. Additionally, many broker/dealers position bonds for their own account and generate profits by holding them for income or selling them for higher prices. While Wynkoop generally seeks reasonably competitive commission rates, Wynkoop does not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker/dealer to effect client transactions include Wynkoop's knowledge of transaction costs, the nature of the security being traded, the size of the transaction, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker/dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

As an institutional buy-side account of non-agency mortgage-backed securities, Wynkoop receives research from the broker/dealers. This research is generally provided whether Wynkoop executes specific trades or not. The concept of soft-dollars is generally not applicable to the non-agency mortgage backed securities markets.

Wynkoop does not receive client referrals from the broker/dealers utilized by the funds under its management and therefore doesn't not make decisions on which broker/dealers to utilize based on clients' referrals from any broker/dealers.

### **Item 13 – Review of Accounts**

Brandon Jundt, the managing member and chief compliance officer of Wynkoop, is responsible for the management of the investment advisory accounts of Wynkoop's clients, which consist of pooled investment vehicles ("Funds"). Mr. Jundt reviews the accounts at least daily. More extensive review of particular securities in the account is performed on a daily to weekly basis, depending on the nature of the investment and the status of various factors used by Wynkoop to monitor, rebalance and effect transactions in the account.

Wynkoop provides the Funds and the member in such Funds, unaudited monthly reports and annual audited reports containing performance reporting, individual account balances and market commentary. Audited annual financials are provided by Ehrhardt, Keefe, Steiner, & Hottman PC. Members of the Funds may also be provided with verbal or written reports on a monthly basis or on an ad-hoc basis.

Wynkoop does not offer financial planning services. The funds under Wynkoop's management generally have specific investment objectives and are in no way a comprehensive financial planning vehicle. Wynkoop's managed funds generally have little diversification and are only suitable for sophisticated investors who are able to bear the risk of concentrated and illiquid investments.

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

Wynkoop LLC has not paid compensation for client referrals, although it retains the right to do so.

### **Item 15 – Custody**

All of the Funds that Wynkoop manages currently use Wells Fargo, N.A. as the qualified custodian for all accounts. Clients do not receive statements directly from the custodian, but do receive unaudited monthly reports and annual audited reports containing performance reporting, individual account balances and market commentary. Timberline Fund LP has hired Pyxis Global Financial Services to serve as a third-party administrator of that fund and investors in Timberline Fund LP receive statements directly from the administrator.

### **Item 16 – Investment Discretion**

The funds for which Wynkoop serves as the Manager generally give Wynkoop broad discretion regarding investment decisions. Each fund has a specific mandate that is detailed in that fund's operating agreement and private placement memorandum. Within the context of that mandate, Wynkoop has broad investment discretion. Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC are all mandated to invest in senior non-agency mortgage-backed securities. 3<sup>rd</sup> Avenue Fund LLC, Fillmore Street Fund LLC, Steele Street Fund and Timberline Fund LP are all mandated to invest in any non-agency mortgage-backed securities, including mezzanine bonds, subordinated bonds and derivatives (e.g. interest-only bonds, residuals, net interest margin bonds, etc.). Madison Street Fund LLC is the only fund that allows the Manager to incur indebtedness, use margin, or otherwise leverage the portfolio. Fillmore Street Fund LLC and Steele Street Fund LLC allow leverage with the approval of each fund's respective investor. Fillmore Street Fund LLC and Steele Street Fund LLC also require the written approval of each fund's respective investor to buy or sell and specific investments. Clermont Street Fund LLC is mandated to invest in single-family residential houses.

Brandon Jundt is currently the only individual who determines investment advice. Mr. Jundt utilizes housing market data and professional building and housing market experience provided by the other members of Wynkoop but such members do not provide investment advice or participate in decisions regarding the purchase or sale of securities.

Wynkoop may give advice or take action with respect to any client, which may differ from advice given, or the timing or nature of action taken, with respect to any other client. Certain clients of Wynkoop may have similar investment

objectives and policies. Therefore, Wynkoop may, from time to time, make recommendations or place orders that result in the purchase or sale of a particular investment for such clients simultaneously. If transactions on behalf of more than one client during the same period increase the demand for the investments being purchased or the supply of investments being sold, there may be an adverse effect on price or availability. It is the policy of Wynkoop to allocate advisory recommendations and the placing of orders in a manner deemed equitable by Wynkoop to the accounts involved. When two or more of the clients of Wynkoop are purchasing or selling the same security on a given day from, to or through the same broker-dealer, such transactions will be averaged as to price, which could be higher or lower than the actual price that would otherwise be paid by a particular client account absent the aggregation of orders. Any transaction costs incurred in the aggregated transaction will be shared pro rata based on each client's participation in the transaction.

#### **Item 17 – Voting *Client* Securities**

Although Wynkoop does not typically invest client assets in securities that carry voting rights, it has implicit authority to vote client securities by virtue of its discretionary authority and may, under certain circumstances, need to exercise voting authority for its clients. Therefore, as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, Wynkoop has adopted a proxy voting policy pursuant to which Wynkoop has undertaken to vote all proxies or other beneficial interest in an equity security prudently and solely in the best long-term economic interest of its advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. All proxies received by Wynkoop are reviewed by the chief compliance officer and are voted for the long-term benefit of the fund.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wynkoop's financial condition. Wynkoop LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.