

**Part 2A of Form ADV: Investment Advisor Brochure**

**Item 1 - Cover Page**

Name: Woodbourne Capital Management International LP

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The date of this brochure is March 30, 2024.

**This brochure provides information about the qualifications and business practices of Woodbourne Capital Management International LP. If you have any questions about the contents of this brochure, please contact us at 303-413-1414. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Woodbourne Capital Management International LP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Woodbourne Capital Management International LP as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

**Item 2 - Material Changes**

No material changes have been made since the last brochure.

**Item 3 - Table of Contents**

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**Item 4 - Advisory Business**

A. Woodbourne Capital Management International LP (“Advisor,” “we” or “us”) is a Delaware limited partnership that was formed in February 2007. We are principally owned by Jeffrey “TJ” Heyman, both directly and indirectly through a limited liability corporation called Woodbourne Capital Management GP LLC.

B. We provide discretionary investment advice to private investment funds that are not registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). Our investment advice to private funds encompasses global real estate-related securities and private equity investments in real estate-related assets.

C. We generally provide investment advisory services to each private investment fund (*i.e.*, each client) pursuant to an advisory services agreement. Each advisory services agreement sets forth the terms of the investment advisory services we provide to each respective client, including any specific investment guidelines or restrictions. Investment guidelines for each client are generally established in its organizational or offering documents, the advisory services agreement and/or side letter agreements negotiated with investors in each client. We provide investment advice directly to our clients, and not individually to the investors in the clients. However, we and our affiliates routinely enter into side letter agreements with certain investors in the clients providing such investors with customized terms, which often results in preferential treatment.

(See Item 16 “Investment Discretion.”)

D. We do not participate in wrap fee programs.

E. As of December 31, 2023, we managed approximately \$2,069,427,000 on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Regulatory assets under management (“RAUM”) reported both in this brochure and in Part I of the ADV might differ from assets under management (“AUM”) presented in marketing materials because the Advisor manages certain joint venture arrangements on behalf of certain private investment funds. The joint ventures are neither “private funds” nor “securities portfolios” as defined in the ADV glossary; therefore, they are not included when calculating RAUM and they are included when calculating AUM.

**Item 5 - Fees and Compensation**

A. Our fees and compensation ultimately incurred by investors are described in the advisory services contracts we enter into with our clients, and by governing and offering documents signed by investors. We receive a management fee and an incentive fee from each client. Fees are negotiable and borne indirectly by investors in each client. Most of our investors are “qualified purchasers” (as defined in Section 2(a)(51) of the 1940 Act).

B. We deduct our management fees from investor accounts quarterly in advance. We deduct performance-related fees from investor accounts upon realization of profits of a particular deal/security, which would be considered in arrears.

C. Fees ultimately borne by investors are specifically outlined in each client’s offering and governing documents. Clients that are private investment funds generally bear (i) all expenses

associated with the organization and ongoing administration of such private investment funds, including legal and accounting fees, (ii) all expenses incurred in connection with communications with investors, meetings of investors and the ongoing offer and sale of interests in the private investment funds, (iii) all third party administration, accounting, tax preparation, audit, bookkeeping, governmental fees and taxes and legal and compliance fees and expenses of, or relating to, the private investment funds, (iv) all expenses incurred for the benefit of the private investment funds related to the maintenance and procurement of information technology and data-related services, systems and equipment, valuation services, proxy voting services and insurance, (v) all direct and incidental expenses relating to research and due diligence of existing and potential investments (including, without limitation, the use of consultants and attorneys) and research materials, and (vi) all trading and investment-related costs and expenses (e.g., brokerage commissions, margin interest, custodial fees and clearing and settlement charges). (See Item 12 “Brokerage Practices” below.)

We may also allocate a portion of certain clients’ capital to money market funds. In addition to the fees and expenses discussed above, investors will indirectly incur similar fees and expenses if we invest clients’ capital in such money market funds as these funds in turn pay similar fees to their investment managers and other service providers.

Some expenses are incurred on an aggregate basis for the benefit of multiple clients or the Adviser. We allocate the aggregate costs of these items across the applicable clients and the Adviser in a manner we determine to be reasonable and fair in our sole discretion. Generally, the allocation method across multiple clients is pro rata in accordance with assets under management, but we may vary this approach in particular instances if we believe another method is more equitable.

D. Management fees for private investment funds are paid quarterly in advance and are refunded on a pro-rata basis (based on the actual number of days remaining in such quarter) if the advisory contract is cancelled prior to the end of a payment period. The refund would be repaid by the Advisor to the partnership and distributed to the withdrawing limited partner. Given the redemption terms of our funds (the specifics of which are provided in each client’s governing documents), it is unlikely that a fee refund would be owed if a limited partner submitted a redemption request after fees had been deducted.

E. *Not applicable.*

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

The Advisor currently receives performance-based fees from investor accounts. On certain, but not all, investor accounts, the performance-based fee is accrued based on a percentage of realized and unrealized capital appreciation, but not deducted from the client account until an event is realized. On other investor accounts, the performance-based fee is based on realized gains. All performance-based fees are calculated in accordance with the respective clients’ governing documents.

The terms of the performance-based fees may differ among the various private investment funds, and among different investors in each private fund. This may result in a conflict of interest when allocating opportunities among accounts because there is an incentive to favor accounts that have higher performance-based fees or to accounts with respect to which the Adviser or its personnel pay lower performance-based fees than other investors. To avoid such a conflict of interest we generally follow documented procedures in allocating opportunities, which does not consider the

performance-based fees to which such accounts are subject (*see Item 12, Section A.4, "Allocation of Investment Opportunities" below*).

Management fees and performance-based fees are calculated based on committed capital during the clients' commitment periods and net invested equity thereafter. We follow our documented valuation policies and, when applicable, consult with third parties such as an independent appraiser, broker, or pricing service.

### **Item 7 - Types of Clients**

We provide investment advice to private investment funds. Investors in such private investment funds are (i) high net worth individuals and institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act) and "qualified purchasers" (as defined under the 1940 Act) and (ii) knowledgeable employees that qualify as "accredited investors".

The minimum investment requirement varies based upon the specific private investment fund. The range of minimum investments is \$1,000,000 to \$10,000,000, and subject to the discretion of the general partner of the relevant fund to accept a lesser amount.

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

A. Investment strategies for the private investment funds focused on private equity opportunities in real estate include, but are not limited to, hard assets, equity securities, debt instruments, and mortgage-backed instruments. The objective is to generate long-term capital appreciation. The Advisor's analysis will include, but not be limited to: a study of current and anticipated market conditions pertaining to each investment, a thorough evaluation of the pro-forma economics of any proposed transaction, and an evaluation of the physical condition, environmental condition and the condition of the title of the real estate. Sources of information will include, but not be limited to, historical information provided by the seller, brokers, reports prepared by third parties, site visits and other research sources.

The Advisor's management team has significant cumulative experience in the real estate industry. We believe this experience is a valuable resource in the analysis of real estate-related securities and private equity investments in real estate.

**The investment strategies described above, and other strategies that the Adviser pursues, involve a substantial degree of risk, and the private investment funds may lose all or a substantial portion of the value of their investments.** Examples of such risks are provided in Item 8.B immediately below.

B. The investment strategies involve a high degree of risk, including the risk that the entire amount invested may be lost. Investors should be prepared to bear this risk. Such risks include, but are not limited to, the following:

**General Risks of Real Estate:** All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, may tend to limit the private funds' ability to promptly adjust the private funds' portfolio in response to changes in economic or other conditions. Other risks include changes in zoning, building, environmental, and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability, costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, the

ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses, and other factors beyond the control of the funds' management. Additionally, a private fund may, in certain instances, be responsible for structural repairs, improvements, and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the private fund will reduce the cash available for distribution and may require the private funds to fund deficits resulting from the operation of any properties. No assurance can be given that the private funds will have funds available to make such repairs or improvements. See "General Risks of Real Estate" in Woodbourne's most recent Private Placement Memorandum ("PPM") for more details.

**Development, Redevelopment and Construction Risks:** The development and construction of real property is subject to timing, budgeting and other risks that may adversely affect the private funds' operating results. Any renovation, redevelopment, development and related construction activities could subject a private fund to a number of risks, including risks associated with: (i) construction delays or cost overruns that may increase project costs; (ii) availability and timely receipt of zoning, occupancy and other required governmental permits, authorizations and regulatory approvals; (iii) development costs incurred for projects that are not pursued to completion; (iv) acts of God such as earthquakes, hurricanes, floods or fires that could adversely impact a project; labor conditions or material shortages that may adversely impact the cost and timing of construction; (v) inability to obtain construction and permanent financing on favorable terms, or at all; governmental restrictions on the nature or size of a project; and failure to get entitlements. Additionally, properties under construction or development, or properties acquired to be developed, generally generate no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. See "Development, Redevelopment and Construction Risks" in the PPM for more information.

**Volatility of Property Income.** The volatility of operating income for a property could possibly be influenced by matters such as: the length of tenant leases; the creditworthiness of tenants; the level of tenant defaults; the ability to convert an unsuccessful property to an alternative use; new construction in the same market as the subject property; rent control laws or other laws impacting operating costs; the number and diversity of tenants; the availability of trained labor necessary for tenant operations; the rate at which new rentals occur; and the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the general economy and/or the real estate market or in the financial condition of a major tenant will tend to have a more immediate negative effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties. See "Volatility of Property Income" in the PPM for more information.

**Risks Associated with Commercial Mortgage Loans:** Commercial mortgage loans generally lack standardized terms, which will likely complicate their structure and increase due diligence costs. Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or "balloon" payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The repayment of a commercial mortgage loan is typically dependent upon the ability of

the applicable property to produce cash flow. Even the liquidation value of a property is determined, in substantial part, by the amount of the property's cash flow (or its potential to generate cash flow). However, net operating income and cash flow can be volatile and may be insufficient to cover debt service on the loan at any given time. Significant risks stem from cash flow and property value of mortgaged properties that secure commercial mortgage loans, events effecting the national and local economy, demographic changes, and volatility of net operating income of one or more properties. See "Risks Associated with Commercial Mortgage Loans" in the PPM for more information.

**Potential Lack of Diversification:** While Woodbourne intends to employ some degree of portfolio diversification as one of its risk management strategies, the private funds are expected to participate in a limited number of investments. To the extent the private funds concentrate their investments in certain geographic markets, adverse events or conditions affecting these markets in particular could have a more negative effect on the financial condition and operations of the private funds than if its investments were more geographically diverse and, as a consequence, the aggregate return and performance of the funds may be substantially affected by the unforeseeable performance of even a single investment or market in which an investment is located. Similarly, the private funds' financial condition and results of operations could be adversely affected by conditions affecting the private funds' specific property types. If a private fund makes an investment in a single transaction with the intent of financing, refinancing or selling a portion of the investment, there is a risk that the private funds will be unable to successfully complete such financing, refinancing or sale. This could lead to increased risk as a result of the private fund having an unintended long-term investment and reduced diversification. See "Potential Lack of Diversification" in the PPM for more information.

**Risks of Leverage:** The Woodbourne expects that the private funds will use leverage, which will likely be applicable during all or a portion of each private fund's term. The amount of borrowings which the private funds may have outstanding and/or to which its investments may be subject at any time may be large in relation to its capital, the then current value of its investments and/or its uncontributed capital commitments of each private fund. In addition, recourse debt, which the private funds will likely obtain, may subject other assets of the private funds and an investor's investments to risk of loss. See "Risks of Leverage" in the PPM for more information.

**Third Party Involvement:** Some of the private funds' investments may be made as a joint venture or partnership with the seller of an asset, an affiliate of the seller, an investor unaffiliated with the private funds or their affiliates, or other persons. The foregoing, and other non-specified, investment examples may involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such entities may become insolvent and bankrupt, have economic or business interests or goals inconsistent with those of the private funds, or otherwise be in a position to take action inconsistent with the private funds' objectives, desires, or policies. Actions taken by bankrupt entities could subject the private funds to liabilities larger than, or other than, those anticipated. The private funds may encounter challenges or resistance to disposing of an interest in an asset that is subject to a servicing contract or a joint venture transaction. A joint venture investment agreement may grant certain third-parties veto powers with respect to major decisions concerning management or disposition of an investment, which could increase the risk of deadlocks that may adversely affect investment liquidity, values, and returns. See "Third Party Involvement" in the PPM for more information.

**General Regulation:** The regulatory environment for private funds and other financial entities is evolving. Changes in laws or regulations may adversely affect the value of instruments held by the private funds and may affect the ability of a private fund to pursue its investment strategy. The



SEC, as well as other regulators, self-regulatory organizations and exchanges, have already taken various extraordinary actions in connection with recent market events and may take additional actions. The effect of any future regulatory changes on the private funds and their investors could be substantial and adverse. Legal, tax and regulatory changes could occur during the term of the a private fund which may adversely affect a private fund. Recent legislative changes in the U.S. and Canada are relevant to the Woodbourne and its respective affiliates, the private funds and their investors. See “Regulation” in the PPM risk factors for more information.

C. Risks associated with global real estate-related securities and private equity investments in real estate involve a high degree of risk, including the risk that the entire amount invested may be lost. Investors should be prepared to bear this risk. Such risks include, but are not limited to, the following:

**Loan Origination:** While loans originated by the private funds or their affiliates are intended to be collateralized, the private funds may be exposed to losses resulting from default and foreclosure, power of sale and other enforcement proceedings. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. A private fund cannot guarantee the adequacy of the protection of the private fund’s interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, a private fund cannot assure that claims may not be asserted that might interfere with enforcement of the private fund’s rights. In the event of a foreclosure, power of sale or other enforcement proceedings, a private fund or an affiliate of the private fund may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the private funds. Any costs or delays involved in the effectuation of a foreclosure of the loan, power of sale or other enforcement proceedings, or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

If a private fund is unable to sell, assign or successfully close transactions for participations in the loans that it originates, the private fund will be forced to hold its excess interest in such loans for an indeterminate period of time. This could result in such private fund’s investments being over-concentrated in certain borrowers.

A private fund may have an interest in the borrower on certain transactions, which creates the possibility that the private fund may have to foreclose on assets in which the private fund has an interest. See “Loan Origination” in the PPM for more information.

**Real Estate CDO Securities:** Subject to legal, tax and regulatory matters, the private funds may target debt and debt-like investment opportunities demonstrating strong current cash flow and/or the potential for value generation. These may include, but are not limited to subordinated classes of Collateralized Debt Obligations (“CDOs”), securities investment vehicles or alternative structured securitizations collateralized primarily by asset-backed securities. Real estate CDO securities are, generally, limited recourse obligations of the issuer thereof payable solely from the collateral owned by such issuer or the proceeds thereof. The holders of real estate CDO securities must rely solely on distributions on the underlying collateral or proceeds thereof for payments in respect thereof. If distributions on the underlying collateral are insufficient to make payments on the CDO securities, no other assets will be available for the payment of such deficiency and following realization of the collateral debt securities, the obligations of such issuer to pay such deficiency shall be extinguished.

The underlying collateral of the real estate CDO securities is subject to credit, liquidity and interest rate risks. Such assets may consist of loans, structured finance securities and other debt instruments, which may be rated either as investment grade or below investment grade (or of equivalent credit quality). The lower rating of below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal or interest. See “Real Estate CDO Securities” in the PPM for more information.

**Variable Rate Mortgages:** The private funds may acquire investments subject to financing that provides for adjustments in the interest rate at various monthly, annual or other intervals. An increase in the interest rate as a consequence of any such adjustment: (i) would result in less income to a private fund; (ii) may reduce distributions to investors; (iii) may cause negative amortization; and (iv) may cause the sale of an investment prematurely or on less favorable terms than might otherwise be obtained. Similarly, with respect to debt held by the private fund that is based on variable interest rates, such private fund is subject to the risk that such interest rates may decline. See “Variable Rate Mortgages” in the PPM for more information.

**Subordinated Investments:** The private funds will originate or acquire mezzanine loans or other subordinate loans, including class B asset backed securities (collectively, “Subordinate Investments”) for borrowers whose capital structures have significant leverage ranking similar to or ahead of such Subordinate Investments. Leveraged transactions are by their very nature subject to a higher degree of financial risk. While the Subordinate Investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking similar to or ahead of them and will usually benefit from cross-default provisions and security over the borrowers’ assets, there is no guarantee that the lending documents relating to all Subordinate Investments would contain all of these covenants or cross-default provisions. Moreover, the private funds would typically be restricted in the exercise of its rights in respect of their Subordinate Investments by the terms of inter-creditor agreements between it and the debt ranking senior to the private funds’ Subordinate Investment. Accordingly, a private fund may not be able to take the steps necessary to protect the Subordinate Investments in a timely manner or at all and/or the private fund’s original borrower may not be in sole control and, consequently, there can be no assurance that the return objectives of the private fund or any particular Subordinate Investment will be achieved. See “Subordinated Investments” in the PPM for more information.

**Investment in Distressed Assets:** The private funds may originate debt investments and may acquire not only performing, but sub-performing or non-performing debt interests as well, which are secured directly or indirectly by real estate. In addition to the risks of borrower default, the collateral may be mismanaged or otherwise decline in value during periods in which the private funds are seeking to obtain control of the underlying real estate. It is possible that a private fund may find it necessary or desirable to foreclose, or take power of sale or other enforcement proceedings on collateral securing one or more real estate loans purchased or originated by the private fund. The enforcement process can be lengthy and expensive. In some states or countries, foreclosure actions, power of sale and other enforcement proceedings can take up to several years to conclude. At any time during enforcement proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process, power of sale and other enforcement proceedings. See “Investment in Distressed Assets” in the PPM for more information.

**Counterparty Risk:** Some of the private funds’ investment purchases and dispositions may transpire in private or over-the-counter markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as members of public exchange-based markets. Differing market standards for counterparty credit evaluation may expose the

private funds to the risk that a counterparty will not complete or settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (irrespective of whether *bona fide*) or because of a credit or liquidity problem, thus causing the private fund to suffer a financial loss. The ability of the private funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated exchange market to facilitate settlement may increase the potential for financial losses by the private funds. See "Counterparty Risk" in the PPM for more information.

**Illiquidity:** The private funds generally will not be able to sell its investments held in the form of securities publicly in Canada unless their sale is made under a prospectus or pursuant to an exemption from the prospectus requirement, or in the U.S., unless their sale is registered under applicable U.S. federal and state securities laws, or unless an exemption from such registration requirements is available. In some cases, a private fund may be prohibited by contract from selling investments for a period of time. In addition, the types of investments held by the private funds may be such that they require a substantial length of time to liquidate. Accordingly, the private funds' ability to respond to changes in economic and other conditions may be relatively limited. In particular, no assurances can be given that all private fund investments will be able to be liquidated prior to the scheduled expiration of the term of each private fund. See "Illiquidity" in the PPM for more information.

**Adverse Developments in Debt Capital Markets:** Recent market and economic conditions have been unprecedented in modern times and challenging with tighter credit conditions and slower global growth. Continued concerns about the systemic impact of possible inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased market volatility and diminished expectations for the global economy. Federal government interventions in the U.S. credit markets have been part of the increased market uncertainty and instability in international capital and credit markets. Increased fears of sovereign debt default in Greece, Ireland, Portugal, Spain and other European Union member states have further fueled this uncertainty and instability. These events and conditions combined with volatile oil prices and declining business and consumer confidence have contributed to exceptional volatility in the markets. The factors described above have led to an overall reduction in liquidity in the debt capital markets, including sources of liquidity that the private funds may wish to utilize. See "Adverse Developments in Debt Capital Markets" in the PPM for more information.

**Securities Regulation:** Based upon the applicable law governing a private fund's debt instruments and the loans underlying the private fund's debt securities, the private fund's investments in debt may be adversely affected by (i) the operation of the applicable law with respect to the ability to foreclose mortgage or mezzanine loans, take power of sale proceedings, or to exercise other creditors' rights provided in the underlying loan documents, (ii) lender liability with respect to the negotiation, administration, collection, foreclosure, power of sale, and for other enforcement proceeding of mortgage or mezzanine loans, (iii) penalties for violations of state usury limitations and (iv) the impact of bankruptcy laws and other creditors' rights. In addition, the regulatory environment for private funds and other financial entities is evolving. Changes in laws or regulations may adversely affect the value of instruments held by a private fund and may affect the ability of the private funds and their investment strategies. The SEC, as well as other regulators, self-regulatory organizations and exchanges, have already taken various extraordinary actions in connection with recent market events and may take additional actions. The effect of any future regulatory changes on the private fund could be substantial and adverse. See "Securities Regulation" in the PPM for more information.

**Item 9 - Disciplinary Information**

*Not applicable.*

**Item 10 - Other Financial Industry Activities and Affiliations**

A. *Not applicable.*

B. *Not applicable.*

C. Woodbourne Capital Management International, LP is affiliated with the following registered investment advisor: Woodbourne Investment Management LLC. The related advisor is generally controlled by the same persons and manages pooled investment vehicles. This relationship can result in conflicts of interest as we allocate our time and investment opportunities among the various clients of the related advisor. In addition, the compensation earned by us and our related persons from each of the clients of the related advisor may differ from one another. Furthermore, our principals may have a greater portion of their personal assets invested in the related advisor. This creates a conflict of interest in that the principals have an incentive to favor accounts where their personal assets are invested. As a fiduciary, the Advisor and its principals have a duty to place the clients' interests ahead of those of the firm, its principals, and related parties.

Certain related parties of the Advisor ("Woodbourne Principals") and Pinnacle Property Management Services, LLC (together with its parent company, "Pinnacle") have partnered to form a Canadian property management division called Rhapsody Property Management Services LP ("Rhapsody"). Woodbourne Principals co-founded Rhapsody to implement, in their view, a more sophisticated, multifamily property management company in Canada at rates reasonable in relation to the services provided. The Advisor engages Rhapsody to provide property management services for certain hard asset real estate entities owned by certain private investment funds. The relationship with Rhapsody creates a conflict of interest because fees are payable to Rhapsody for its services. Such fees, along with certain expenses borne by Rhapsody, are subject to reimbursement by certain private investment funds and separate from the management fees due to the Advisor. Therefore, related parties of the Advisor receive a benefit from such engagements. To mitigate the conflict of interest, the Advisor presented information regarding the engagement of Rhapsody to the Limited Partner Advisory Committee of each applicable private investment fund and received approval thereof. Additionally, in an effort to ensure ongoing conflict mitigation (i) any engagement of Rhapsody will be entered into in compliance with the provisions of the applicable private investment fund's governing documents, (ii) any engagement of Rhapsody will be formalized through a Property Management Agreement ("PMA"), which will describe services to be provided and fees payable to Rhapsody for such services along with expenses borne by Rhapsody that are subject to reimbursement by the applicable private investment fund, and (iii) all fees paid to Rhapsody will be set forth in the respective private investment fund's audited annual report.

Woodbourne Capital Management Inc. is a wholly owned subsidiary of the Advisor. The subsidiary provides consulting services for the real estate private equity investments; its principal office is in Toronto, Canada.

Subject to applicable law, we have the ability to effect transactions (generally to correct misallocations of trades) among investor accounts, in which one investor account will purchase securities from or sell securities to another investor account. This can result in a conflict of interest because a potential transaction may result in benefits to one transacting party that may be greater

than the benefits to the other transacting party. To mitigate such conflicts, we effect such transactions only when we believe that such transactions are in the best interests of the applicable clients. Such transactions shall be effected for cash consideration, generally at the closing price of the security, and no brokerage commission or transfer fee shall be paid to us or our related persons in connection with any such transaction.

To mitigate the risks presented with certain of the aforementioned conflicts of interest, we and our related persons will follow documented procedures in allocating resources and trades among the related advisors and respective clients. (See 'Item 6. Performance Based Fees and Side-By-Side Management' and 'Item 12.4. Allocation of Investment Opportunities' for further discussion on these conflicts of interest and risk mitigation).

*D. Not applicable.*

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

A. We have adopted a Code of Ethics (the "Code of Ethics") which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. We have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, political contribution policies, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

*B. Not Applicable.*

*C. Not Applicable.*

*D. Not Applicable.*

### **Item 12 - Brokerage Practices**

***Not Applicable.***

### **Item 13 - Review of Accounts**

A. Client portfolios are reviewed no less frequently than quarterly, and their performance analyzed by our investment professionals. Client portfolios may also be reviewed periodically by members of our operations team to monitor compliance with the applicable trading mandate and any applicable risk and/or operating guidelines. The Chief Compliance Officer is also involved in the periodic review of trading activity and account allocations. Client investments are evaluated based on performance, company fundamentals, news and press releases, analyst reports, general market conditions and such other considerations, as we deem appropriate.

*B. Not applicable.*

C. We provide investors in the various private investment funds with quarterly, unaudited, written performance reports.

We also provide investors with a copy of the respective private investment fund's annual audited financial statements and, where applicable, an annual statement of taxable income (Form K-1).

We may provide certain investors access to more frequent and/or more detailed information regarding the private investment funds' investments, performance, finances, and management and/or other information about the private investment funds or the Advisor (including, notification of the commencement of certain disciplinary actions, legal proceedings, investigations or similar matters against a fund, us and/or our personnel, or of redemptions from a fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the funds.

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

A. *Not applicable.*

B. *Not applicable.*

#### **Item 15 - Custody**

We, or the general partner of a private investment fund, are deemed to have custody (as defined in Rule 206(4)-2 under the Investment Advisors Act of 1940, the "Custody Rule") of clients' assets. In compliance with the Custody Rule, funds and securities are maintained with qualified custodians (as defined by the Custody Rule), unless the securities are exempt from this requirement (e.g. certain privately-offered securities).

For each private investment fund, the Advisor maintains compliance with the Custody Rule by reliance on the "audit approach" (as outlined in the Custody Rule). In accordance with reliance on this exemption, financial statements are (i) audited annually by an independent accounting firm that is registered with, and subject to regular examination by, the Public Company Accounting Oversight Board ("PCAOB") (ii) prepared in accordance with U.S. GAAP and (iii) distributed to investors in the private investment fund within 120 days of fiscal year end and promptly after liquidation.

#### **Item 16 - Investment Discretion**

We have discretionary authority to manage securities accounts on behalf of the private investment funds. The investors in the private investment funds managed by us generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of such private investment funds. Authority is agreed upon and outlined in the offering and governing documents of each respective private investment fund.

Before the Advisor can assume discretionary authority, an investment management agreement must be executed by all involved parties.

#### **Item 17 - Voting Client Securities**

Our clients generally do not hold publicly traded securities. However, in the event that a client holds publicly traded securities, we typically have voting discretion over such securities. Clients are generally not able to direct their votes in a particular proxy vote. We will exercise our discretion in the best interests of our clients. In fulfilling our obligations to our clients, we will act in a prudent

and diligent manner intended to enhance the economic value of the securities. We have adopted a proxy voting policy which is summarized below:

The Advisor will generally not vote proxies unless it believes that voting proxies would be in the best interest of its clients. The Portfolio Manager and Vice President, Investments are responsible for determining which proxies should be voted.

If voting, the Advisor will vote strictly in accordance with the best interests of the beneficiaries of the clients and the purposes for which each individual account was created. The review of long-term and short-term advantages will be weighed when making these decisions.

The Advisor will vote to abstain on social issue proposals, unless the proposal is likely to affect shareholder value.

In non-routine matters, the record will reflect the vote and the reasons for it. Each item to be voted on should be voted separately and individually, not voted in blank. The proxy must be dated, and signed in the Advisor's name and the capacity in which it serves should be on the proxy, plus the voting officer's name and title.

An investor may obtain information about how we voted securities in the private investment fund or other account in which the investor is invested by contacting us at the address set forth on the cover page of this brochure. An investor may also obtain a copy of our Proxy Voting Policies and Procedures upon request.

#### **Item 18 - Financial Information**

The Advisor is financially stable. There are no financial conditions that would be reasonably likely to impair our ability to meet contractual commitments to clients.

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

*Not applicable*