

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**Norwood Investment Partners, LP**

157 Throckmorton Avenue Suite B  
Mill Valley, California 94941  
Telephone: (415) 713-6989  
Email: [ta@norwood.capital](mailto:ta@norwood.capital)

**March 2024**

**This Brochure provides information about the qualifications and business practices of Norwood Investment Partners, LP (“Norwood” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Norwood is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

This Brochure is Norwood Investment Partners, LP initial registration with the SEC.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

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#### **Item 4 – Advisory Business**

Norwood Investment Partners, LP (“Norwood” or the “Firm”), is a California limited partnership. Norwood was formed on June 2014. Charles Hoeveler is the principal owner and managing partner of Norwood.

The Firm provides investment advisory services to privately offered pooled investment vehicles (each a “Fund” and collectively, the “Funds”).

To facilitate investment by certain investors, the Firm may create one or more feeder funds or parallel funds or alternative vehicles.

Norwood is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Firm’s registration in accordance with SEC guidance. This Brochure describes the business practices of the Firm.

The Firm’s advisory services to the Funds are provided pursuant to the terms of the applicable offering documents, term sheets, management services agreements, limited partnership or other operating agreements or governing documents (collectively, “Governing Documents”). Fund investors (“Investors” and each an “Investor”) cannot obtain services tailored to their individual specific needs.

Norwood does not participate in wrap fee programs.

As of December 31, 2023, Norwood has approximately \$181,835,617 of regulatory assets under management on a discretionary basis.

## Item 5 – Fees and Compensation

The Firm is entitled to a monthly management fee with respect to each limited partner of 0.125% of the balance of that limited partner's capital account (approximately 1.5% per year). The management fee is payable in advance based on the net asset value of each limited partner's capital account on the first day of each calendar month and is deducted directly from the limited partners' capital accounts. The management fee may be negotiable.

The Firm also is entitled to a Special Profit Allocation (the "Special Profit Allocation") with respect to each limited partner equal to twenty percent of the amount by which the profits (including realized and unrealized gains and losses) of the partnership otherwise allocable to that limited partner's capital account in that measurement period exceed that limited partner's remaining unrecovered losses. The Special Profit Allocation shall be made at the end of each fiscal year with respect to that fiscal year; provided, however, that if a limited partner withdraws or is otherwise distributed all or any portion of that limited partner's capital account balance on a date other than the last day of a fiscal year, the Special Profit Allocation shall be made with respect to that limited partner for the portion of the applicable fiscal year ending on the withdrawal or distribution date with respect to the amount withdrawn or distributed.

The Funds bear all costs and expenses of organization and operation, including without limitation, all costs and expenses of the initial offering and sale of interests, all trading costs and expenses (for example, expenses related to short sales, brokerage commissions, research services such as Bloomberg and clearing and settlement charges), and all ongoing legal, accounting, tax, bookkeeping, professional, expert and consulting fees and expenses arising in connection with the Funds' business (including the fees and expenses of the administrator and the auditors).

Client expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the month. Performance-based fees are determined as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s), or the date on which a Separate Account Client closes its account(s).

### C. Third-Party Fees

Clients shall pay such costs and expenses as Norwood shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which Norwood reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-

keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

Norwood's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to Norwood's management fee, and Norwood shall not receive any portion of these commissions, fees, and costs.

Neither Norwood nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with Norwood.

**The foregoing discussion in Items 5 represents Norwood's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Norwood believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As described under Item 5 above, the Firm will receive performance-based fees in the form of Special Profits Allocation based on profits from the Funds. The existence of performance-based compensation creates an incentive for the Firm to make riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such an arrangement, although the Firm generally considers performance-based compensation to better align its interests with those of its Investors. Additionally, to the extent that the Firm's personnel are assigned varying participation percentages of the performance-based fee from a Fund, such personnel are subject to similar conflicts of interest in identifying investment opportunities as appropriate for the Funds from which they are entitled to receive a higher performance-based fee percentage.

The Firm seeks to address the conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Firm or any personnel.

### **Item 7 – Types of Clients**

The Firm provides discretionary investment advice solely to the Funds, as described in Item 4 above. The Funds include investment partnerships and/or other investment entities

formed under domestic laws and operate as exempt investment pools under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Investors in the Funds will be required to be "accredited investors" within the meaning of Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act") and are generally "qualified purchasers" within the meaning of Section 2(a)(51) under the Investment Company Act.

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

The Funds seek to generate consistent absolute returns over longer time periods. The Funds utilize simultaneous active management of both long and short securities portfolios. Active management consists of managing the Funds' "market risk" and the specific "stock risk" associated with each holding. The Funds' exposure to the general "market risk" is determined by the balance between long and short positions. The Firm adjusts the relative size of the Funds' long and short positions in an attempt to reduce downside volatility during perceived periods of high market risk while attempting to provide participation in upward markets during perceived periods of lower market risk. The relative size of the long and short portfolios may change from time to time depending on various factors such as risk management, market outlook and volatility. The Firm also manages risk on a security-by-security basis with a focus on avoiding permanent capital impairment.

The Funds invest (long and short) in securities consisting principally, but not solely, of equity and equity-related securities that are traded publicly in U.S. markets. The Funds also may invest in non-U.S. securities, preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps, futures, options on futures, and other derivative instruments, bonds and other fixed income securities, currencies, private securities, money market instruments, cash and cash equivalents. The Funds also engage in short selling, margin trading, hedging and other investment strategies.

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

Discussed below are some of the major risks that potential investors should consider carefully before investing in the Funds. The Funds represent a highly speculative investment and are not intended as a complete investment program. They are designed only for sophisticated persons who are able to bear the risk of losing their investment and who have limited need for liquidity. The risks described below are not exhaustive. Please refer to the Governing Documents for a complete discussion of Fund risks.

**Investment Risks.** The Funds invest principally (long and short) in equity and equity related securities that are traded publicly in U.S. markets. The Funds also engage in margin trading, hedging and other investment strategies and may trade in non-U.S. securities, publicly traded and over-the-counter options, futures, options on futures, other derivative instruments, bonds and other fixed income securities, currencies, private securities, money market instruments, cash and cash equivalents. The Firm may engage in short selling, margin trading,

hedging and other investment strategies. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. The Funds' investment portfolios may not generate any income or appreciate in value.

The Firm can never learn all relevant information regarding a company or a security. Further, the Firm may misinterpret or incorrectly analyze the information that they have about a particular company or security. These and other factors may cause the Firm to (a) invest in securities at times that will lead to losses in the Partnership's Funds' portfolios and may cause an Investor to lose a significant portion of its investment in the Funds or (b) refrain from investing in particular securities at times that would have resulted in gains in the Funds' portfolios if the Firm would have caused the Funds to invest.

**Change in Sentiment.** Changes in investor sentiment on the market, an industry or sector, or an individual stock can have pronounced effects on securities prices. Rapid changes in investor sentiment cannot be predicted and can be severe.

**Earnings Surprises.** The Firm cannot assure that the companies in which the Funds invest will report earnings or losses as the Firm expect. The Funds may hold stocks that disappoint earnings expectations and decline rapidly, and the Funds may short securities issued by companies that beat earnings expectations and rise rapidly, in both cases producing losses.

**Concentration or Diversification of Investments.** The Funds' investment portfolios (on account of size, investment strategy and other considerations) may be confined to the securities of relatively few issuers. The Funds are not required to maintain a minimum level of capital. If a Fund fails to raise substantial initial capital or incurs losses or withdrawals, it may not have sufficient funds to diversify its investments. There are no particular limits as to concentration in particular issuers or types of investments. If a Fund concentrates its investments in several, relatively large security positions or industries relative to its capital, a loss in any one position or a downturn in any one industry could reduce its performance materially. Conversely, at times a Fund's investment portfolio may be so diversified that the Fund's returns reflect general equity market returns rather than Norwood's investment decision-making.

**Information Sources.** Norwood selects investments for the Funds based in part on information and data that the issuers of such securities file with various government agencies or make directly available to the Firm or that they obtain from other sources. The Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

**Investment Selection.** The Funds primarily engage in long purchases and short sales of securities. The Funds may also engage in hedging, option trading, leverage (including, but not limited to, margin trading and investing in futures and other derivatives) and other strategies. The Funds may invest in securities with relatively low prices, which may be subject to greater percentage price fluctuations than higher-priced securities.



Hedging strategies usually are intended to limit or reduce investment risk, but also can limit or reduce the potential for profit and may increase the Funds' transaction costs, interest expense and other costs and expenses. Options, futures, options on futures, other derivatives trading, short sales, hedging, margin trading and other techniques and strategies may result in material losses for the Funds. The Firm is not obligated to hedge the Funds' portfolio positions, and they frequently may not do so.

The Investors have no opportunity to select or evaluate any Fund investments or strategies. Norwood selects all Fund investments and strategies. The likelihood that Investors will realize income or gain depends on the skill and expertise of the Firm.

**Sales.** The Funds may sell securities short. A short sale results in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale results in a loss if the price of the securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that a Fund may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, a Fund's short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

To make a short sale, a Fund must borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. In addition, special rules, which differ from jurisdiction to jurisdiction and can change from time to time, apply to short sales and may impede a Fund from pursuing its investment objectives. For example, a Fund is prohibited from making short sales of certain securities at prices below the last sale price, which may prevent the Fund from executing short sales of certain securities at the most desirable time. If the prices of securities sold short increase, the Fund may be required to provide additional collateral to maintain the short positions. This could require the Fund to liquidate other investments to provide additional collateral. Such liquidations might not be at favorable prices. Further, the lender can request the return of the borrowed securities and the Fund may not be able to borrow those securities from other lenders. This would cause a "buy-in" of the short position, which may be disadvantageous to the Fund. Some market participants seek to exploit short-sellers such as the Funds by identifying and buying large quantities of securities that are significantly shorted in an attempt to benefit from the price increase that the participants expect when the short sellers buy the securities to cover the short sales. If these so-called "short squeezes" are executed successfully, as described above, a Fund may be required to cover its short position at a disadvantageous time regardless of the Firm's view of the true value of the securities, thereby causing significant losses to the Fund.

There are other inherent difficulties and challenges in short selling. The general negative misperceptions of short-sellers may limit Norwood's access to management of various issuers and hamper its research efforts. Management and other stakeholders of issuers may take legal action against short-sellers to prevent or discourage even the legal short sales of

the issuer's securities to avoid depressing the value of its securities. The Firm and the Funds could be subject to such private legal actions. The cost of and management time committed to defending any such action could be substantial.

**Hedging.** The Funds may use hedging strategies to attempt to control risk. It is possible that hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that a Fund's return might have been better had it not attempted to hedge. A Fund may lose the ability to hedge a particular position, which may cause the Fund to have undesired exposure to that position and may lead to liquidation of that position at a time that is disadvantageous to the Fund. The Firm is not obligated to hedge all or any portion of the Funds' portfolios.

**Small Capitalization Companies.** A Fund may from time to time invest in (or sell short) companies with modest capitalization. Investing in the securities of such companies also involves greater risk, potential price volatility and cost than investing in securities of larger companies. These companies involve higher risk because they often lack the management experience, financial resources, product diversification, markets, distribution channels and competitive strengths of larger companies. In addition, in many instances, the frequency and volume of trading of the securities of such companies is substantially less than is typical of larger companies. Therefore, the Securities of smaller companies may be subject to wider price fluctuations. The spreads between the bid and asked prices of the securities of these companies in the U.S. over-the-counter market typically are larger than the spreads for more actively traded securities. As a result, a Fund could incur a loss if it were to sell such a security a short time after its acquisition. When making a large sale, a Fund may have to sell a portfolio holding at a discount from quoted prices or may have to make a series of small sales over an extended period of time because of the limited trading volume of smaller company securities.

**Limited Liquidity of Investments.** The Funds invest from time to time in thinly traded and relatively illiquid securities, securities that may not be traded at the time the Funds invest or securities that may cease to be traded after the Funds invest. A Fund also may take positions in particular securities that are relatively large as compared to trading volumes or overall market capitalization. In such cases and in the event of extreme market activity, a Fund may not be able to liquidate its investments promptly if necessary. In addition, a Fund's sales of thinly traded securities are likely to depress the market value of those investments and thereby reduce the Fund's profitability or increase its losses. Such circumstances or events could affect the Fund's gain or loss materially and adversely.

A Fund may invest in PIPE (private investments in public equity) financings. In a PIPE transaction, the Fund typically purchases unregistered equity securities of a class of securities that is publicly traded and receives registration rights with respect to the

unregistered securities that it purchases. The securities are not publicly tradable when the Fund purchases them, however, and they may never become publicly tradable.

A Fund also may invest in restricted securities that are subject to substantial holding periods or that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. Such restricted securities may not be eligible to be traded on a public market even if a public market for securities of the same class were to exist or develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

**General Risks of Leverage.** The Funds use leverage from time to time by borrowing on margin, investing in futures and options, entering into swaps and other derivative contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, using leverage requires a Fund to pledge its assets as collateral. Margin calls or changes in margin requirements can require the Fund to pledge additional collateral or liquidate its holdings, which could require the Fund to sell portfolio securities at substantial losses that it otherwise would not realize.

**Swaps, Options, Futures and Other Derivatives.** The Funds may use both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for difference. These instruments can be highly volatile and expose the Funds to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small change in the price of the contract may result in a profit or a loss that is high in proportion to the Funds' funds actually placed as initial collateral and may result in unquantifiable further loss exceeding any collateral deposited. These changes are extremely difficult to predict.

The Funds' potential losses from writing uncovered options and futures is unlimited. If a Fund purchases options that it does not sell or exercise, it will lose the premium paid in such purchase. Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

The brokers with whom the Funds establish accounts to engage in certain derivatives transactions (such as futures and cleared swaps), or the exchanges or clearinghouses through which those transactions are executed, may demand additional collateral at any time. Those brokers, exchanges or clearinghouses may terminate the Funds' open positions for any reason, such as due to a specified reduction in the Funds' net asset value or if the Funds fail to meet a collateral call (even if the amount of collateral demanded has been calculated incorrectly).

Futures positions may be illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses. In addition, the Fund may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator (such as the SEC or the CFTC) may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Such position limits may affect a Fund’s ability to maintain positions or prevent liquidation of positions, which could adversely affect the Investors.

The market for single stock futures is relatively new and not available in all countries. The limited market for single stock futures may affect the liquidity of such instruments. In addition, other potential issues related to the trading and sale of single stock futures, including margin levels, insider trading, sales practices, real-time trade reporting, floor broker activities and the application of the regulatory requirements of the SEC, rather than the CFTC, have not been fully resolved and, accordingly, may affect both the liquidity and the risk of these instruments. Furthermore, trading in single stock futures typically involves a high degree of leverage that carries inherent risks, as discussed above.

Some derivative instruments may be difficult to value accurately. Any misvaluation could adversely affect a Fund.

**Swaps and Other Securities-Linked Instruments.** The Funds may use derivative instruments, such as swaps, contracts for difference, participation notes, equity swaps, and zero strike calls and warrants, to gain economic exposure (whether long or short) to a particular underlying security that the Funds cannot or do not want to own directly. Many of these derivative instruments are structured as contracts between the Fund and a counterparty. In a typical contract, the Fund transfers assets to the counterparty or its custodian to serve as the initial collateral for a change in value of the underlying security. Thereafter, the Fund and the counterparty transfer collateral to each other based on changes in the value of the underlying security.

The Funds may not have control of when any such derivative transaction will be terminated. A counterparty may have the right to terminate a derivative transaction on limited or no notice at its discretion or when certain events occur, including, but not limited to reductions in a Fund’s net asset value, “key person” events and defaults by the Fund, the Firm or their

Affiliates under other agreements. The counterparty may have the right to recoup its losses due to such termination. Any such termination may occur at a time that is disadvantageous to the Fund and may adversely affect the Investors.

There may not be an exchange on which to close out an open swap position or other derivative transaction. A Fund could experience losses and delays in closing a derivative transaction, due to, among other things: (a) a counterparty's default on, or inability or refusal to perform, its obligations with respect to a transaction, including refusing to pay amounts that otherwise would be due to the Fund; (b) a decline in the value of collateral the Fund holds during the period in which the Fund seeks to enforce its rights with respect to such collateral; (c) expenses of enforcing their rights under the agreements governing the derivative transaction; and (d) the loss of collateral the Fund has posted with the counterparty in the event of the counterparty's bankruptcy or insolvency (the Fund likely will be treated as an unsecured creditor with respect to such collateral). The occurrence of any such event could subject the Fund to substantial losses.

**Repurchase Agreements.** A Fund may enter into repurchase agreements, by which it buys a security and simultaneously agrees to sell it back later at a predetermined price, or in reverse repurchase agreements, by which the Fund sells a security and simultaneously agrees to buy it back later at a predetermined price. The repurchase date is usually within 7 days after initiating the agreement. If the other party to the repurchase agreement or reverse repurchase agreement becomes insolvent or bankrupt, the Fund could experience losses due to insufficient collateralization or due to delays and costs of liquidating the collateral or recovering the securities or payment for the securities. If, in the meantime, the value of the securities changes, the Fund could experience further losses. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

**Forward Trading.** Forward contracts and options thereon are not traded on exchanges and are not standardized. Instead, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there are no limits on position sizes or daily price movements. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market in which a Fund trades due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit the Fund's desired level of forward trading. Any such market illiquidity or disruption could adversely affect a Fund.

**Securities Lending.** The Funds may lend securities to brokers and other institutions to earn additional income. These loans typically are fully collateralized on a daily basis, but the value of the collateral may fall below the value of the loaned securities on any given day. If the other party becomes insolvent or bankrupt, the Funds could experience losses due to insufficient collateralization or due to delays and costs of liquidating the collateral or recovering the securities or payment for the securities. If, in the meantime, the value of the securities changes, the Funds could experience further losses.

**Investment Companies.** Investment companies (such as ETFs) are companies registered with the SEC under the Investment Company Act of 1940, as amended (the "ICA") that purchase and sell securities, such as stocks and bonds, under the direction of an investment adviser. Many of the investment companies purchased for the Funds' portfolios will concentrate heavily in a particular asset category or sector. These categories could include, among others, sector funds, blue chip stock funds, small capitalization stock funds, growth funds, bond funds and international funds. Such funds may specialize even further on the basis of a particular country or region of the world. Shareholders of an investment company generally bear all expenses of that company, including fees of the investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, Investors will be paying two levels of advisory fees -- the Management Fee and Special Profit Allocation to the Firm and the advisory fee charged by the investment adviser of the investment companies in the Funds' portfolios. A Fund will also bear its own brokerage commissions and other expenses related to the purchase, sale or transmittal of the Fund's assets. The foregoing fees and expenses may be expected to result in a higher cost of investment than would be the case if an Investor were to invest directly in the investment companies purchased by the Fund. As a result, the returns realized by the Investors from the Fund's activities will be less than the returns Investors would realize from engaging in the same activities directly.

Investment companies are required to distribute to their shareholders 90% of all realized gains, interest and dividends earned in a year. Even though the Funds intend to reinvest all such distributions, an Investor will be credited with Fund net income, and will incur the consequent income tax liability, even though that Investor did not receive any Fund distributions unless that Investor withdrew all or part of its capital account.

**General Risks of Non-U.S. Investments.** A Fund may invest in securities of non-U.S.-based issuers, which involves unusual risk not typically associated with investing in U.S.-based issuers. These risks include, but are not limited to, currency volatility, less public information available regarding issuers, limited liquidity of securities, greater price volatility and political risks associated with the countries in which such securities are traded and the countries where the issuers are located. Exchange control regulations or changes in the exchange rate between other currencies and the U.S. dollar may affect the Fund unfavorably. Individual non-U.S. economies may differ unfavorably from the U.S. economy in gross national product growth, inflation rate, savings rate and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. The value and marketability of a Fund's investments in some countries may be materially and adversely affected by expropriation or

confiscatory taxation, limitations on removing funds or other assets, political or social instability, or diplomatic developments.

The securities of non-U.S. issuers held by a Fund generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, U.S. securities laws and regulations. Accordingly, there may be less publicly available information about those securities and about the non-U.S. company or government issuing them or the board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities is generally less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

Securities of some non-U.S. companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in non-U.S. Securities creates a greater risk of securities clearance and settlement problems.

**Contract Default Risk.** The Funds have contractual agreements with various counterparties, including the Funds' brokers, custodians and administrators, to perform various functions or effect certain transactions for or on behalf of the Funds. These entities may not be subject to credit evaluation and regulatory oversight and may default on their obligations, which could adversely affect the Funds.

**Risk of Default by Brokers, Exchanges and Counterparties.** The Funds will be exposed to the credit risk of the brokers, dealers and exchanges through which they deal. The Funds may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house.

In addition, a Fund may effect transactions in over-the-counter and interdealer markets. Participants in these markets typically are not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Fund may be subject to counterparty risk. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which may subject a Fund to the risk that the other counterparty will not settle in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such counterparty risk is increased for contracts with longer

maturities when events may intervene to prevent settlement. A Fund's ability to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may cause the Funds to sustain material losses.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect a Fund's investments and prospects materially and adversely. None of these conditions is within Norwood's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' profitability or result in losses.

Global equity markets have periodically experienced sharp declines and high volatility. Credit markets have sometimes tightened significantly, and the stability of several major financial institutions has been affected by these economic conditions. As a result, securities markets have at times been extremely volatile and many investment funds have incurred significant losses.

The U.S. federal government, Federal Reserve, U.S. Treasury and other government and regulatory bodies (federal, state and local) have implemented a variety of programs to respond to current economic conditions, and may take additional actions in the future. These current and future programs could lead to inflation or other adverse consequences that could have a material adverse effect on the issuers of the Funds' securities and equities markets generally.

Further, Norwood may need to modify the Funds' investment strategies in the future to satisfy new regulatory requirements or to compete in a changed business environment. For example, the U.S. government has indicated its willingness to implement additional measures as it may see fit to address changes in market conditions, and further Congressional responses may result in additional comprehensive overhauls of the regulatory infrastructure governing the financial system. These future government measures may have negative consequences for the Funds and may diminish future opportunities available to it in unpredictable ways. Given the volatile nature of the market environment, the Firm may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments and trends in new products and services, in the current or future market environment.

**No Control over Portfolio Issuers.** A Fund may acquire substantial positions in the securities of particular companies. Nevertheless, the Fund is unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.



**Valuation.** Norwood determines the value of the Funds' securities, whether or not a public market exists for instruments of the same class or type. If the Firm's valuation of any such instruments is inaccurate, Norwood might receive Management Fees and Special Profit Allocations that are greater than those to which it would otherwise be entitled. The Firm may not be able to effectively manage the Fund's investment portfolio, diversification and other internal guidelines and risks if a Fund's portfolio is inaccurately valued. Any such inaccuracy could affect the Investors adversely.

**Complexity.** The Firm's systems and operations are dynamic and complex. Certain operations interface with and depend on data and other systems operated by third parties, including prime brokers, administrators, market counterparties and their sub-custodians and other service providers, and the Firm may not be able to quantify the risks or verify the reliability of such third-party systems. Certain operational risks may be intrinsic to the Firm's operations and may impact financial, accounting or data processing or other systems. Periods of market dislocation or abrupt regulatory change may exacerbate operational risk. The failure of one or more systems or operations or the inability of those systems or operations to meet a Fund's evolving demands could have a material adverse effect on the Fund.

**Electronic Trading.** Norwood or its outsourced trading brokers frequently place the Fund's trades electronically. If an electronic trading system or component fails, it may not be possible to enter new orders, execute existing orders or modify or cancel orders, and order priority may be lost. Any such event may cause material losses for the Fund.

**Limitation on Liability of the Firm.** Pursuant to the Governing Documents, the Firm, their Affiliates, any person acting on their behalf and any person that controls the Firm generally is not responsible to the Funds or any Investor for losses incurred in connection with the Funds' activities, including without limitation failure to obtain the lowest brokerage commission, any errors in judgment, trade errors or any tax liability asserted against any Investor.

The Funds' agreements with brokers, custodians, administrators, auditors and other service providers may contain provisions that limit the liability of and indemnify those parties and their Affiliates in certain circumstances.

**Trade Errors.** Norwood places orders for the purchase and sale of securities with brokers on behalf of the Funds. The trading process is complex and can vary for different types of securities. Moreover, the Firm may be required to break up orders, or may buy or sell the same security for more than one client, including the Funds, further complicating the trading process. Norwood might make or cause trading errors. The Fund is responsible for any such trade errors. The Firm will not be required to bear the cost of any trade error or reimburse the Funds for resulting costs or losses (unless due to the gross negligence, willful misconduct or fraud of the Firm or its affiliates).

**Business Disruptions.** The Funds and the Firm rely heavily on their service providers (including administrators and custodians) and on internal and third-party computer

hardware and software, online services, data feeds, trading platforms, and other technology. The occurrence of a cyberattack, a natural catastrophe, a pandemic, an industrial accident, a terrorist attack or war, public service or utility disruptions (such as those caused by fires, floods, earthquakes, market trading halts, systems failures and other extraordinary event), events unanticipated in the Firms' disaster recovery systems, or a support failure from external providers, could have an adverse effect on the ability of the Firm or the Funds to conduct business and on their operations and financial condition, particularly if those events affect the Firms' or the Funds' computer-based data processing, transmission, storage, and retrieval systems, or if these events destroy data. If a significant number of the Firms' employees were unavailable in the event of a disaster, the ability of the Firm and the Funds to effectively conduct business could be severely compromised.

**Cybersecurity.** There can be no guarantee that the Firm and the Funds will be successful in fending off cybersecurity attacks from viruses, malware, computer hackers or other malicious corruption of their information technology systems. Cybersecurity breaches of the systems of the Firm, their Affiliates or its service providers (including accountants, custodians, transfer agents and administrators) may cause disruptions to business operations, cause losses due to theft or other reasons, interfere with the Funds' net asset value calculations, impede trading, or lead to violations of applicable privacy and other laws, regulatory fines and penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. The Firm and the Funds cannot control the cybersecurity plans and systems put in place by their service providers and the issuers in which the Funds invest. Any cybersecurity breach could materially and adversely affect the Funds.

**Limited Liquidity of Interests.** No market for interests exists or is expected to develop. It may be difficult or impossible to transfer any interests, even in an emergency. However, subject to certain conditions, an Investor may withdraw capital periodically. The Investor requesting withdrawal bears the risk of any decline in the value of the interests during the period from the date of notice of withdrawal until the effective withdrawal date. Norwood has the power to suspend and compel withdrawals.

Although Norwood believes the withdrawal notice provisions in the Governing Documents allow the Funds sufficient time to liquidate investments in the amounts necessary to satisfy withdrawals, a Fund may not be able to do so in a timely manner. Substantial withdrawals by Investors in a short period could require the Firm to liquidate Fund investments more rapidly than is desirable, possibly reducing the value of the Fund's assets or disrupting the Firm's investment strategy. Further, a reduction in the size of the Partnership's portfolio could make it more difficult to generate a positive return or to recoup losses.

**Reserve for Contingencies.** Norwood may establish reserves as they deem necessary or appropriate to pay any prospective liability or obligation that they believe may arise with respect to any of the Funds' investments or activities. Any such reserve may be established, whether or not it is required under generally accepted accounting principles and may be allocated among the capital accounts that the Firm deems appropriate. An Investor may not

withdraw any portion of its capital account balance related to any such reserve until the Firm deems that the reserve no longer is necessary.

**Risk of Asset Growth.** If the assets that Norwood manages grow substantially, it may adversely affect the Fund's investment performance. It may become more difficult to find attractive investment opportunities as the amount of assets that the Firm must invest increases. In this event, Norwood may find it necessary to invest in a greater number of companies than it currently intends, which could dilute its focus on individual companies, impair its ability to monitor existing and potential investments, and result in investments in companies that it otherwise would not select. In addition, with greater assets to invest, it will be increasingly difficult for a Fund to make investments large enough to be meaningful to its overall portfolio.

**Inside Information.** Norwood (through its Employees or otherwise) may receive information that restricts its ability to cause the Fund to buy or sell securities of a company for substantial periods of time when the Fund otherwise could realize a profit or avoid a loss. This may adversely affect the Fund's flexibility in buying or selling securities.

**Conflicts of Interest.** The Firm may sponsor, manage and participate in other investment activities unrelated to the Funds' activities (some of which may compete with the Funds' investment activities). These other activities may include, among other things, providing investment advisory services to other accounts and investing for their own accounts.

These other activities create conflicts of interest with a Fund such as, for example, the following:

(a) The Firm, on behalf of the Fund or the other accounts and in other capacities with other entities or for its own account, has discretion in determining which investments are made by the Fund or the other accounts, sold to others or made by it or its Affiliates, with or without the participation of any other person. The interests of the Fund and the other accounts in selecting, negotiating and administering investments may conflict in some circumstances. The Firm may give advice and take action with respect to any other account that differs from the advice that it gives or the timing or nature of action that it takes with respect to the Fund. For example, the Firm select investments for the Fund and the other accounts based solely on investment considerations for such persons. The Firm may have different types of clients, including separate accounts and private funds. These clients have different investment strategies and expected levels of trading. In the course of providing advisory services, the Firm may buy or sell a security for one type of client but not for another. Further, the Firm may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client.

In addition, the Firm may manage some other accounts using the same or a substantially similar investment strategy as the Fund but provide greater liquidity and transparency to those other accounts than it does to the Fund and the Investors. Because of these different terms, the holders of those other accounts may from time to time take actions that could

adversely affect the Fund and the Investors. For example, the holder of another account that has the same investment strategy as the Fund but more frequent withdrawal rights may terminate that other account at a time when Investors are not permitted to withdraw from the Fund, and the resulting liquidation of the other account may adversely affect the value of certain positions in the Fund's portfolio.

(b) The Firm and its partners, employees and Affiliates also may engage in securities transactions for their own accounts. The Firm is not obligated, however, to acquire for the Fund any security that any of such persons may acquire for its or their own accounts. The Firm and any of such persons may make any investment whether or not in competition with the Fund or in a manner that would limit or eliminate the Fund's opportunity to make the investment, without any accountability to the Fund or any Investor.

(c) The Firm may have conflicts over the amount of time spent managing the Fund and any other accounts. To the extent that the Firm receives better overall compensation and other benefits with respect to managing any other accounts compared to managing the Fund, they have an incentive to allocate more time to those other activities.

(d) The Firm determines the value of the Fund's securities and has an incentive to overvalue those securities to receive greater Management Fees and Special Profit Allocations than it otherwise would be entitled to receive.

(e) Legal counsel for the Firm does not and will not serve as counsel for the Fund or represent the interests of the Investors or the Fund in connection with the organization or activities of the Fund or any offering of interests. Such counsel disclaims any fiduciary or attorney-client relationship with the Investors or the Fund (even if such counsel represents one or more Investors in matters unrelated to the Fund). None of the Fund, the potential investors in the Fund as a group or the Investors as a group has been represented by separate counsel. The attorneys and certain other experts who perform services either directly or on behalf of the Firm do not represent or perform services for the Investors. Prospective investors should obtain the advice of their own counsel regarding legal matters.

(f) The brokers to which the Firm directs the trades of the Fund and the other accounts offer the Firm and its Affiliates nonmonetary benefits or "soft dollars." These soft dollars take the form of research, other services regarding securities investments and other products and services and are available to the Firm in connection with transactions in which the Fund does not participate. Brokers also may solicit or refer investors to invest in the Fund or the other accounts. These benefits influence the Firm to select one broker rather than another to perform services for the Fund.

**Effect of Special Profit Allocation.** The Firm receives the Special Profit Allocation with respect to Investors that is based on net changes in the values of those Investors' capital accounts. Because the Special Profit Allocation is so based, it increases as a result of

unrealized appreciation, as well as realized gains. The Special Profit Allocation is not affected by losses in a subsequent fiscal year.

The Special Profit Allocation may create an incentive for the Firm to make Fund investments that are riskier or more speculative than it would make if it did not receive an allocation based on the Fund's performance and to overvalue the Fund's securities.

**Differing Terms for Particular Investors and Other Accounts.** The terms that govern any particular other account may be more advantageous than those generally applicable to the Funds, and the terms that apply to a particular Investor in a Fund or investor in another account may be more advantageous than those generally applicable to other Investors in the Fund. For example, some Investors in a Fund or investors in other accounts may receive the following terms and conditions that do not apply to other Investors in the Fund: a reduction, rebate or waiver of Management Fees or Special Profit Allocations; rights to receive reports on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions); special rights to make future investments in the Fund, other investment funds or managed accounts; and such other rights as may be negotiated by those persons or other accounts. Also, if an Investor also has an other account (such as a separately-managed account) with the Firm that uses an investment strategy that is similar to that of a Fund, that Investor may use its knowledge of the portfolio in that other account to decide if and when to make an additional investment or withdraw capital from the Fund. Such investments or withdrawals could occur at times when other Investors would have made similar decisions had they had similar transparency.

**Anti-Money Laundering.** If the Firm, the administrator or any governmental agency believes that a Fund has accepted subscriptions for interests by, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of any U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, the Firm, the administrator or such governmental agency may freeze the assets of such person or entity invested in the Fund, or suspend their withdrawal rights. None of the Funds, the administrator or the Firm will be liable for losses in connection with delays or otherwise related to the anti-money laundering verification process. The Funds or the administrator also may be required to remit or transfer those assets to a governmental agency.

**The Firm's Right to Dissolve a Fund and Expel Investors.** Norwood may dissolve a Fund at any time on notice to the Investors. Accordingly, there is a risk that if the Fund's assets become depleted or the unrecouped losses become significant and, as a result, the Management Fee and Special Profit Allocation are reduced, the Firm may elect to dissolve the Fund at a time when dissolution may be disadvantageous to the Investors. In addition, the Firm may expel all or any portion of an Investor's capital account from the Fund at any time, in which event the expelled Investor will be deemed to have withdrawn from the Fund to the extent of such expulsion. Such expulsion could result in adverse tax and economic consequences to the Investor.

**No Distributions.** Norwood does not intend to make distributions to the Investors prior to a Fund's dissolution but intend to reinvest substantially all of the Funds' income and gain. As a result, Investors may be credited with Fund net income, and will incur the consequent income tax liability (to the extent that they are subject to income tax), even though Investors receive little or no Fund distributions. Accordingly, an investment in a Fund may not be suitable for investors seeking current returns for financial or tax planning purposes.

**Portfolio Turnover/Operating Deficits.** The Funds trade securities actively and incur brokerage, custody and other transaction costs and expenses. A Fund may have higher portfolio turnover than other investment funds. These and other expenses of operating a Fund (including Management Fees and Special Profit Allocation to the Firm, and the fees payable to the administrator) are paid out of the Fund's capital, reducing the Fund's investments and potential for profitability. This risk is higher if the Fund has limited capital. Additionally, if the Fund has limited capital, each Investor would bear a greater amount of the Fund's fixed expenses.

**Regulatory Risks Related to Investment Advisers and Private Investment Funds.** The U.S., the E.U. and other countries and regulatory authorities have enacted major legislation that increases the regulation and reporting of investment advisers and private investment funds. In addition, the regulatory and tax environment for derivative securities and related instruments is also evolving and may be subject to modification by government or judicial action. These regulatory developments and continuing uncertainty regarding their implementation may adversely affect the Fund, the Funds and the value of the Funds' investments.

**State and Federal Securities Laws.** Interests in the Funds have not been registered under the 1933 Act, in reliance on the exemptions in section 4(a)(2) of the 1933 Act and Regulation D thereunder. Similar reliance has been placed on apparently available exemptions from securities registration or qualification requirements under applicable state securities laws. The interests may not qualify under any of such exemptions due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or the retroactive change of any securities law or regulation. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register the interests or other offerings or for acts or omissions constituting offenses under the 1933 Act, the 1934 Act, or applicable state securities laws, the Funds could be affected materially and adversely, jeopardizing their ability to operate successfully. Furthermore, the human and capital resources of the Funds and the Firm could be affected adversely by defending actions under these laws, even if the Funds are ultimately successful.

The Firm believes that, by virtue of ICA section 3(c)(1), the Funds should not be deemed to be "investment companies" and, accordingly, should not be required to register as such under the ICA. That provision depends in part, however, on the Funds' voting securities (if interests were to be deemed "voting securities" for purposes of ICA section 3(c)(1)), and possibly the voting securities of affiliated entities and accounts, being held by not more than 100 beneficial owners. The rules and interpretations of the SEC and the courts relating to the definition of

“voting securities” and the counting of “beneficial owners” are highly complex and uncertain in numerous respects. As a result, no assurance can be given that a Fund will not be deemed an “investment company” for purposes of the ICA and required to register as such thereunder, in which event the Fund and the Firm could be subject to legal actions by regulatory authorities and others and could be forced to terminate. The costs of defending any such action could constitute a material part of the Fund’s assets, and termination could have materially adverse effects on the Fund.

Pursuant to the exemption from registration provided by Commodity Exchange Act Rule 4.13(a)(3), the Firm is not required to register, and are not registered, with the CFTC as a commodity pool operator because, among other things, the interests in the Funds are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the U.S., and at all times either (a) the aggregate initial margin and premiums required to establish a Fund’s commodity interest positions, including positions in securities futures products, will not exceed 5% of the liquidation value of its portfolio or (b) the aggregate net notional value of the Fund’s commodity interest positions will not exceed the liquidation value of its portfolio. Unlike a registered commodity pool operator, the Firm is not required to deliver to Investors the disclosure document and certified annual report required by the Commodity Exchange Act and the rules and regulations thereunder.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Norwood. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents, Agreement other materials that may be provided by Norwood and consult with their own advisers prior to engaging Norwood’s services.**

### **Item 9 – Disciplinary Information**

Norwood and its management persons have not been a party to any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of its investment advisory business or the integrity of its management.

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

Neither Norwood nor its management persons are registered as a broker-dealer or broker-dealer representative.

Neither Norwood nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

Norwood does not utilize nor select other advisors or third party managers. All assets are managed by Norwood.

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

Norwood has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Norwood (collectively, “Employees”). Norwood holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Norwood strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Norwood will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Norwood at the address on the cover page to this Brochure.

Norwood does not recommend to Clients, or buys or sells for Client accounts, securities in which Norwood has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

Norwood’s policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that Norwood buys or sells for Client accounts. However, there may be circumstances in which Norwood, its Employees and/or related persons have holdings in the same instruments that Norwood buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Norwood’s recommendations regarding a particular security. Norwood’s policy as to such transactions is that neither Norwood nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Norwood addresses this conflict by requiring Employees to sign and adhere to Norwood’ Code of Ethics and to report personal securities holdings and transactions to Norwood.



## Item 12 – Brokerage Practices

### A. Factors Used to Select Broker-Dealers

Norwood will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Norwood considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the Norwood's policies and procedures. In selecting broker/dealers to execute transactions, the Norwood need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Norwood believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Norwood seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by Norwood may provide general assistance to Norwood, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, Norwood may consider the broker's general assistance and consulting services. To the extent Norwood would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

While Norwood does not currently utilize this service, the Firm may effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to Norwood that assist Norwood in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or Norwood's overall responsibilities with respect to its Clients. Norwood intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the 34 Act.

When Norwood uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, Norwood believes that such soft dollar items may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all Client accounts or Norwood's operations as a whole, including any Client accounts that direct Norwood to use a broker that does not provide soft dollar benefits.

Norwood may have an incentive to select a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the Client's interest in receiving most favorable execution. Norwood periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that Norwood does engage in such "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if Norwood determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or Norwood's overall responsibilities to the portfolios over which Norwood exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of Norwood's and its affiliates' other accounts. Soft-dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Norwood may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

Within the last fiscal year, Norwood did not utilize "soft-dollars" to receive broker-dealer research reports, company financial data and economic data.

A broker from which Norwood obtains soft dollar services generally establishes "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. Norwood monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

Certain brokers utilized by Norwood may refer advisory clients to Norwood or investors to investment vehicles managed by Norwood. In selecting a broker, Norwood may consider the broker's referrals of clients or investors to investment funds Norwood manages, referrals of advisory clients to Norwood, the potential for future referrals, and/or the broker's willingness to pay third-party finders' fees for such referrals. To the extent Norwood would otherwise be obligated to pay for "finding" services, it has a conflict of interest in considering those services when selecting a broker. It also faces a conflict because it benefits from increases the size of the investment funds it manages.

### 3. Directed Brokerage

Norwood does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by Norwood in its discretion and without the consent of the Clients or Fund Investors. Norwood may enter into directed brokerage arrangements only in its discretion.

**B. Aggregating Trading for Multiple Client Accounts**

Norwood may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Norwood will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Norwood believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Norwood's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Norwood's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Norwood may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, Norwood and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, Norwood attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

### **Item 13 – Review of Accounts**

Norwood reviews Client accounts on a periodic basis to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered.

Reviews may take place more frequently if triggered by economic, market, or political conditions.

Audited financial statements prepared in accordance with generally accepted accounting principles are generally provided to investors within 120 days of a financial year-end. Additionally, U.S. investors are generally issued Schedule K-1's after the close of a fiscal year-end.

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

Norwood does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

Currently, neither Norwood nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future Norwood enters into such arrangements, this Brochure will be appropriately amended.

### **Item 15 – Custody**

A rule under the Investment Advisers Act provides that, because Norwood is the general partner of the Fund, it is considered to have “custody” of the Fund’s assets, even though independent custodians (Prime Brokers) actually hold those assets. That rule generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Fund need not comply with those requirements if, among other things, the Fund provides Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. Norwood satisfies those conditions and therefore is not subject to reporting and other obligations.

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

Funds’ Constituent Documents generally authorize Norwood to invest and trade the assets in a broad range of investments, to be selected at Norwood’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, Norwood may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ Constituent Documents each Investor designates Norwood as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients’ business and affairs, including execution of the Clients’ governing documents. An Investor’s execution of a Fund’s subscription agreement constitutes its execution of the Fund’s Constituent Documents and the terms and conditions set forth therein.

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

Norwood exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require Norwood to vote proxies received in a manner consistent with the best interests of the Client.

The Firm's proxy policies permit Norwood to abstain from voting proxies in the event that the Clients' economic interest in the matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

Clients may obtain a copy of Norwood's complete proxy voting policies and procedures upon request. Clients may also obtain information from Norwood about how Norwood voted any proxies on behalf of their account(s).

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

Norwood 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 petition.

Norwood does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

Norwood has discretionary authority over the Client's assets. At this time, neither Norwood nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

Norwood has not been the subject of a bankruptcy petition in the last ten years.