

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

**Item 1 - Cover Page**

Name: Woodbourne Capital Management International LP

Address: 1919 14<sup>th</sup> Street, Suite 900  
Boulder, Colorado 80302

Phone Number: 303-413-1414

Fax Number: 303-449-4253

Website: [www.woodbourneinvestments.com](http://www.woodbourneinvestments.com)

The date of this brochure is March 30, 2016.

**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 also 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**

We made one material change to the brochure since the last issuance dated March 30th 2015.

The following language was added under Item 10 – Other Financial Industry Activities and Affiliations:

*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 in Canada at rates reasonable in relation to the services provided. The Advisor will engage 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 (iii) the Advisor will conduct a fee study on an annual basis to ensure that fees payable to Rhapsody for its services continue to be charged at or below fees charged by similarly qualified property managers and (iv) all fees paid to Rhapsody will be set forth in the respective private investment fund’s audited annual report.*

In addition, we elaborated on Item 15 – Custody to provide for further clarification.

**Item 3 - Table of Contents**

Item 1 - Cover Page.....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation .....	4
Item 6 - Performance-Based Fees and Side-By-Side Management.....	5
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information.....	8
Item 10 - Other Financial Industry Activities and Affiliations.....	8
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	9
Item 12 - Brokerage Practices .....	10
1. Research and Other Soft Dollar Benefits .....	10
2. Brokerage for Client Referrals .....	12
3. Directed Brokerage.....	12
4. Allocation of Investment Opportunities .....	12
5. Trade Error Policy .....	12
Item 13 - Review of Accounts.....	13
Item 14 - Client Referrals and Other Compensation .....	14
Item 15 - Custody .....	14
Item 16 - Investment Discretion.....	14
Item 17 - Voting Client Securities.....	15
Item 18 - Financial Information .....	15
Item 19 - Requirements for State-Registered Advisers.....	15

**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 and a certain separately managed account. Our investment advice is limited to global real estate related securities and private equity investments in real estate.

C. We generally do not permit investors in the private investment funds we manage to impose limitations on the investment activities described in the offering documents for those funds. Under certain circumstances, we will contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case by case basis.

We do permit the investor in the separately managed account to impose limitations on investment activities, but all arrangements must be clearly outlined in the account’s governing documents in advance of executing a Management Agreement.

(See Item 16 “Investment Discretion.”)

D. We do not participate in wrap fee programs.

E. As of December 31, 2015, we managed approximately \$635,709,000 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 are described in the advisory contracts we enter into with our clients. We receive a management fee and an incentive fee. Fees are negotiable. Most of our clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”). For the funds with potentially at least one investor who is not a “qualified purchaser,” fees are listed below:

1. Woodbourne Emerging Opportunities Master Fund Ltd, and Woodbourne Emerging Opportunities Fund LP - 2.0%, annual management / 20% incentive fee
2. Woodbourne Canada Partners LP - 1.0% annual management / 20% carried interest (after 10% hurdle)
3. Woodbourne Canada Partners II LP, Woodbourne Canada Partners II Cayman LP, and Woodbourne Canada Partners II (CA) LP - 1.5% annual management / 20% carried interest (after 9% hurdle)

4. Woodbourne Canada Partners III LP, Woodbourne Canada Partners III (CA) LP, Woodbourne Canada Partners III (INT) LP – 1.5% annual management / 20% carried interest (after 9% hurdle)

B. We deduct our management fees from client accounts for the private investment funds quarterly in advance. Management fees for the separately management account are billed to the client quarterly and deducted in arrears. For both the private investment funds and the separately managed account, we deduct performance related fees from client accounts upon realization of profits of a particular deal/security, which would be considered in arrears.

C. Fees to be borne by the clients 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 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, expenses related to short sales, custodial fees and clearing and settlement charges). (*See Item 12 "Brokerage Practices" below.*)

The expenses that are charged to separately managed accounts are determined on a case by case basis.

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

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 (which are highlighted in each Client's governing documents), it is unlikely that 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 client accounts. On certain client accounts, but not all, 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 client accounts, the performance-based fee is based on realized gains. All performance-based fees are calculated in accordance with the respective clients' governing documents.

Additionally, our affiliate, Woodbourne Management International LP, receives performance-based fees on private investment funds it manages, in accordance with its respective client's governing documents.

The terms of the performance-based fees may differ among the various private investment funds and the separately managed accounts. 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. To avoid such a conflict of interest we generally follow documented procedures in allocating opportunities, which does not take into account the performance-based fees to which such accounts are subject (*see Item 12, Section A.4, "Allocation of Investment Opportunities" below*).

As certain, but not all, management fees and performance-based fees are based directly on the net asset value of the clients' accounts, we may have a conflict of interest in valuing the assets. To mitigate this risk, we will 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 and a certain separately managed account. 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 of 1933, as amended) and "qualified purchasers" (as defined under the 1940 Act) and (ii) knowledgeable employees that qualify as "accredited investors". Investors in the separately managed account are institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and "qualified purchasers" (as defined under the 1940 Act).

The minimum investment requirement varies based upon the specific private investment fund. The range of minimum investments is \$1,000,000 to \$5,000,000, and subject to the discretion of the General Partner 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 the investment, a thorough evaluation of the pro-forma economics of the 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 investment strategy for the separately managed account focuses on commercial mortgage backed securities utilizing a variety of trading strategies. The objective is to preserve capital while generating favorable yields. Limitations for this investment strategy are set forth in the Management Agreement. The Advisor provides advice to the client regarding trade ideas,

executes trades approved by the client, and provides reporting and analysis on the client's portfolio.

The investment strategy for the private investment fund focused on the securities of real estate companies and real estate related securities utilizes a variety of trading strategies. The main general pool for this investment strategy has dissolved, and only one illiquid investment remains in a side pocket. The Advisor will not make any new investments or acquire any new assets under this particular investment strategy. The Advisor will continue to monitor and value the asset and provide advice on an exit strategy for the final investment when a liquid market becomes available.

The Advisor's senior 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.

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

B. Risks associated with the investment strategies of the private investment funds are outlined in the offering and governing documents of each private investment fund.

Risks associated with the investment strategy of the separately managed account include risks specific to real estate related securities. The market for this investment strategy's particular securities is small and illiquid. Specific risks include but are not limited to mark-to-market risk, liquidity risk, currency risk, and counterparty risk.

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.

C. Risks associated with global real estate related securities and private equity investments in real estate are outlined in the offering documents of each private investment fund.

Generally, real estate values are affected by a number of factors and risks including but not limited to, changes in the general economic climate, local conditions (such as oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing, and potential liability under changing environmental and other laws. For certain private investment funds, the value is also subject to currency risk.

Risks associated with commercial mortgage backed securities are outlined within individual security prospectuses. Some of these risks include, but are not limited to, general commercial and multifamily lending risk, property location and condition risk, lease risk, competition risk, quality of management risk, individual property type risk, uninsured mortgage risk, non-recourse risk, location concentration risk, borrower concentration risk, financing risk, environmental risk, balloon payment risk, prepayment risk, interest rate risk, taxation risk, currency risk, and default risk.

#### **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 advisors: Woodbourne Management International LP, and Woodbourne Investment Management LLC. The related advisors are generally controlled by the same persons and collectively, they manage a number of different pooled investment vehicles and separately managed accounts. This relationship can result in conflicts of interest as we allocate our time and investment opportunities among the various Clients of the related advisors. In addition, the compensation earned by us and our related persons from each of the Clients of the related advisors may differ from one another. Furthermore, our Principals may have a greater portion of their personal assets invested in certain of the related advisors. 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 in Canada at rates reasonable in relation to the services provided. The Advisor will engage 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 (iii) the Advisor will conduct a fee study on an annual basis to ensure that fees payable to Rhapsody for its services continue to be charged at or below fees charged by similarly qualified property managers and (iv) 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 on the real estate private equity investments and its principal office is located in Toronto, Canada.

Subject to applicable law, we have the ability to effect transactions (generally to correct misallocations of trades) among Client accounts, in which one Client account will purchase securities from or sell securities to another Client 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. In order 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 particular 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. In addition, we recognize that we have a fiduciary duty to the investors in the private investment funds and other accounts we manage, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, 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, 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**

A. In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

On a periodic basis, we evaluate the execution performance of the broker-dealers we use to execute client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

### **1. Research and Other Soft Dollar Benefits**

We do not typically enter into formal soft dollar arrangements with brokers.

Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest in that such arrangements allow the Investment Advisor to pay with client commissions expenses that would otherwise be borne by the Investment Advisor. When client brokerage commissions are used to obtain research or other products or services, the Investment Advisor receives a benefit because it did not have to produce or pay for the research, products or services. It may have an incentive to select a broker based on its interest in receiving the research or other products or services offered by such broker, rather than on its clients' interests in receiving most favorable execution.

If we engage in soft dollar transactions, we comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services (collectively, "Research") provided by such brokers. Research may include, among other things, proprietary research from brokers,

which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar credits.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

At this time, the Investment Advisor does not utilize a prime broker for any client accounts. Should we need to engage a prime broker for future activity, then such prime broker(s) may provide us with front and back office services, including trading, securities lending, clearing, reporting, and settlement for equities, fixed income, foreign currency and options, among others. Subject to applicable law, prime broker(s) may also provide us with capital introduction services.

We also execute securities transactions on behalf of client accounts with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such broker-dealers.

During our last fiscal year, we acquired as a result of client brokerage commissions paid (or markups or markdowns) (i) research, such as proprietary research from brokers, which may have been written and/or oral; (ii) research products, such as databases and quotation services; and (iii) research services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; appraisal services; and invitations to attend conferences or meetings with management or industry consultants.

During our last fiscal year, we have taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by brokers when directing client transactions to a particular broker. We directed transactions to such brokers only consistent with best execution. Brokers sometimes suggest a level of business they would like to receive in return for the research services and products they provide, however we have not committed to provide any level of brokerage business to any broker.

## 2. Brokerage for Client Referrals

*Not applicable.*

## 3. Directed Brokerage.

*Not applicable.*

## 4. Allocation of Investment Opportunities

Clients of the Advisor and its affiliates generally have differing investment strategies, capital constraints, and commitment periods. This provides a natural relief to the conflict of interest present when allocating investment opportunities among various accounts. To the extent that investment opportunities are appropriate for multiple client accounts managed by the Advisor and its affiliates, we generally allocate investment opportunities so that each security held by the accounts we manage is held on a *pari passu* basis. In certain circumstances, we may allocate securities among client accounts on a different basis. In such cases, the factors that we may consider when determining which securities to allocate to each client account include, but are not limited to, the investment objectives and restrictions of each client account; the overall portfolio composition of the client accounts; relative capital available for investment in the applicable client account; liquidity of the security; market capitalization and/or enterprise value of the underlying credit; position size; industry exposure; market exposure; gross, net, long and short exposure; and applicable tax considerations. New issues (as defined by FINRA rule 5130) are allocated to client accounts in accordance with the criteria set forth above.

## 5. Trade Error Policy

Subject to applicable law, we will reimburse the applicable client account(s) for net losses that occur as a result of trade errors resulting from our gross negligence or willful misconduct.

We may correct misallocations of trades among client accounts by re-allocating the applicable trade using the intended allocation methodology prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after settlement, we may, if appropriate and subject to applicable law, correct such erroneous allocation by effecting a cross trade between client accounts at the price at which the initial trade was effected.

B. We will generally aggregate client trades, subject to best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, we will allocate the investment opportunity as described in Item 12, Section A.4 above.

We may also aggregate subsequent orders for the same security entered during the same day with any previously filled orders. This determination may take into consideration changes in the market price of the security and differences in allocations among accounts.

**Item 13 - Review of Accounts**

A. Client portfolios are reviewed no less frequently than quarterly, and their performance analyzed by our investment professionals, including, but not limited to: TJ Heyman, Principal and Chief Investment Officer, Jake Herman, President, John Harding, Chief Operating Officer, Ron Marek, Chief Financial Officer, Jason Rootenberg, Senior Vice President, Corinne Johnson, Chief Compliance Officer and Vice President, and David Roth, Vice President. Each portfolio may be reviewed by a combination of the aforementioned professionals that may or may not be all inclusive. Client portfolios are also 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 provide the investors in the certain separately managed account with monthly, unaudited, written reports and analysis. We also provide the investors with quarterly, unaudited performance reports.

We may provide certain investors access to more frequent and/or more detailed information regarding the private investment funds' securities positions, 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.

Investors in separately managed accounts have direct access to the positions in those accounts. Accordingly, these investors may have full, real-time transparency as to all transactions and holdings in such accounts, and may be better able to assess the future prospects of a portfolio that is substantially similar to the portfolios of the private investment funds managed by us. The investors in separately managed accounts may also have the right to withdraw all or a portion of their capital from such managed accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the private investment funds we manage.

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

A. *Not applicable.*

B. We have retained Park Hill Real Estate Group, LLC as the exclusive Placement Agent for certain, but not all, private investment funds. Park Hill's primary service is to assist us with the solicitation of investors for these particular private investment funds. Compensation paid to the Placement Agent is not borne by the private investment funds, with the exception of the allowed direct expenses as outlined in the respective funds' offering and governing documents. Generally, compensation is based on a pre-determined percentage of capital raised.

**Item 15 - Custody**

We, or the general partner of a private investment fund or separately managed account (each of which is an affiliate of the Advisor), 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.

For a separately managed account, the audit approach exemption is not applicable. Accordingly, the Advisor maintains compliance with the Custody Rule for the certain separately managed account by (i) engaging an independent accounting firm that is registered with, and subject to regular examination by, the PCAOB to perform a surprise examination that includes verifying the cash and securities (ii) maintaining funds and securities with a qualified custodian (iii) providing notice to investors of the separately managed account detailing how assets are being held and (iv) having a reasonable basis for believing that the qualified custodian sends an account statement, at least quarterly, to each of the investors identifying the amount of cash and each security at the end of the period and each transaction made during that period. Investors in the separately managed account are cautioned to carefully review and compare all statements issued by the Advisor against those issued by the qualified custodian.

**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.

We have discretionary authority to manage certain separately managed accounts. The investors in separately managed accounts may place limits on our authority, but all restrictions and limitations must be outlined in advance in the Management Agreement.

Before the Advisor can assume discretionary authority, a Management Agreement must be executed by all involved parties.

**Item 17 - Voting Client Securities**

We generally have voting discretion over securities held in clients' accounts. Clients are generally not able to direct their votes in a particular situation. 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 and in light of 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.

A client may obtain information about how we voted securities in the private investment fund or other account in which the client is invested by contacting us at the address set forth on the cover page of this brochure. A client 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*