

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

**Item 1 - Cover Page**

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The date of this brochure is March 31, 2018.

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

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

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

**Item 2 - Material Changes**

We made no material changes to the brochure since the last issuance dated March 30, 2017.

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**Item 4 - Advisory Business**

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

B. We provide discretionary investment advice to private investment funds. Our investment advice encompasses 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.

*(See Item 16 “Investment Discretion.”)*

D. We do not participate in wrap fee programs.

E. As of December 31, 2017, we managed approximately \$675,063,000 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”).

B. We deduct our management fees from client accounts quarterly in advance. 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, custodial fees and clearing and settlement charges). (*See Item 12 "Brokerage Practices" below.*)

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

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 a fee refund would be owed if a limited partner submitted a redemption request after fees had been deducted.

E. *Not applicable.*

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

The Advisor currently receives performance-based fees from client accounts. On certain, but not all, client accounts, the performance-based fee is accrued based on a percentage of realized and unrealized capital appreciation, but not deducted from the client account until an event is realized. On other 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.

The terms of the performance-based fees may differ among the various private investment funds. 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 consider 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. 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".

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

**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.

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.

**Item 9 - Disciplinary Information**

*Not applicable.*

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

A. *Not applicable.*

B. *Not applicable.*

C. Woodbourne Capital Management International, LP is affiliated with the following registered investment advisor: Woodbourne Investment Management LLC. The related advisor is generally controlled by the same persons and manages pooled investment vehicles. This relationship can

result in conflicts of interest as we allocate our time and investment opportunities among the various clients of the related advisor. In addition, the compensation earned by us and our related persons from each of the clients of the related advisor may differ from one another. Furthermore, our principals may have a greater portion of their personal assets invested in the related advisor. This creates a conflict of interest in that the principals have an incentive to favor accounts where their personal assets are invested. As a fiduciary, the Advisor and its principals have a duty to place the clients' interests ahead of those of the firm, its principals, and related parties.

Certain related parties of the Advisor ("Woodbourne Principals") and Pinnacle Property Management Services, LLC (together with its parent company, "Pinnacle") have partnered to form a Canadian property management division called Rhapsody Property Management Services LP ("Rhapsody"). Woodbourne Principals co-founded Rhapsody to implement, in their view, a more sophisticated, multifamily property management company in Canada at rates reasonable in relation to the services provided. The Advisor 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, and (iii) all fees paid to Rhapsody will be set forth in the respective private investment fund's audited annual report.

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

Subject to applicable law, we have the ability to effect transactions (generally to correct misallocations of trades) among 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. To mitigate such conflicts, we effect such transactions only when we believe that such transactions are in the best interests of the applicable clients. Such transactions shall be effected for cash consideration, generally at the closing price of the security, and no brokerage commission or transfer fee shall be paid to us or our related persons in connection with any such transaction.

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

D. Not applicable.

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

A. We have adopted a Code of Ethics (the “Code of Ethics”) which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the investors in the private investment funds, and that all 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**

***Not Applicable.***

**Item 13 - Review of Accounts**

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

B. *Not applicable.*

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

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

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



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

A. *Not applicable.*

B. *Not applicable.*

**Item 15 - Custody**

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

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

**Item 16 - Investment Discretion**

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

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

**Item 17 - Voting Client Securities**

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 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*