

Item 1. Cover Page

THE LYME TIMBER COMPANY LP

Form ADV, Part 2A
(the “*Brochure*”)

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This Brochure provides information about the qualifications and business practices of The Lyme Timber Company LP (“we”, the “Adviser” or “Lyme”). If you have any questions about the contents of this brochure, please contact David Hoffer at 603-643-3300 or dhoffer@lymetimber.com. 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.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

The Adviser does not consider any of the information contained in this version of the Brochure to represent a material change from the information contained in its most recent previous version dated March 21, 2019. Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety. To receive an additional current copy of this Brochure free of charge, please contact David Hoffer at 603-643-3300 or dhoffer@lymetimber.com.

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Item 4. Advisory Business

The Lyme Timber Company LP (“Lyme”) is an investment advisory firm specializing in advisory services related to investments in timberland properties. Lyme was founded in 2008 by James Hourdequin, Thomas Morrow, and Peter Stein to continue the business of Lyme’s predecessor, The Lyme Timber Company (now known as LTC Partners LP), which was founded in 1976. James Hourdequin, Thomas Morrow, Peter Stein, David Hoffer, and Sean Ross are the current principals of Lyme and, in the aggregate, are the principal owners of Lyme (the “Principals”). LTC Partners LP maintains a minority interest in Lyme.

In meeting each client’s needs, Lyme follows a disciplined and value-oriented investment philosophy with the goal of achieving attractive risk-adjusted returns. We have expertise in the careful selection, management, and disposition of timberland and rural real estate, including lands with important conservation values. We have extensive experience in the negotiation and sale of working forest conservation easements that restrict development on lands but allow income generation from sources such as sustainable timber harvesting, recreational leasing activities, and sale of ecosystem services. Lyme seeks to sell conservation easements and other interests early in the investment cycle to help enhance investment performance of the client portfolios we manage while reducing real estate exposure and risk for the clients. We also have expertise structuring advantageous debt arrangements (e.g. New Markets Tax Credit financings), restructuring forestry and timber operations, and developing and managing wetland and stream mitigation banks.

Lyme provides investment advisory services to pooled investment vehicles (each a “Fund” and collectively, the “Funds”). In addition, Lyme provides management services to a separately managed account (the “SMA” and together with the Funds, the “Clients”) based on the terms set forth in the relevant management agreement. We tailor our advisory services to the specified investment mandates of our Clients, consistent with the Client’s governing documents, which may include a private placement memorandum, limited partnership agreement, management agreement, and/or subscription agreement (individually and collectively, the “Governing Documents”). Because we are committed to adhering to a specialized investment strategy, we do not otherwise generally permit investors in the Funds to impose restrictions on our ability to invest.

Our Funds’ objective is to generate capital appreciation and income through investments in timberland, ranch and agricultural land, rural real estate, and related assets. We believe that our experience, knowledge, and use of multiple conservation sale strategies can help achieve attractive risk-adjusted returns.

Specifically, we focus on the following key objectives:

1. Seek attractive investment returns through disciplined valuation, conservation sales, and/or operational restructuring.
2. Pursue conservation-related investment strategies that help to mitigate speculative real estate exposure and risk.
3. When prudent, seek to utilize advantageous financing to enhance equity returns.

4. Seek to enhance Fund-level returns through careful investment in emerging ecosystem service opportunities, such as wetland, stream and endangered species mitigation banking.
5. Work to maintain strong investment discipline with the Principals involved in all investments.

As of December 31, 2019, we managed approximately 1,219,868,608 in regulatory assets under management, all on a non-discretionary basis. We have indicated that Lyme provides non-discretionary advice because Lyme's investment advice is subject to the approval of each Fund's general partner. However, please note that each Fund's general partner is a related person and under common control with Lyme.

Item 5. Fees and Compensation

Lyme, or one of its affiliates, typically receives compensation for providing investment advisory services from each of our Funds in the form of (1) a management fee based on the percentage of assets we manage (generally based on capital committed or capital deployed) and (2) performance-based compensation.

We set forth the details of how we calculate our management fee and performance-based compensation for our Funds in their Governing Documents. We only receive our performance-based compensation when distributions occur in accordance with the relevant Governing Documents for each Fund relationship. As a result, we do not receive performance-based compensation on a regularly-scheduled basis. Our fees have not been negotiable in the past, and we have no present intention of negotiating fees in the future.

We deduct our management fees directly from our Funds' accounts each quarter. Whether these deductions are in arrears or in advance is determined by the investment terms applicable to a specific Fund and set forth in its Governing Documents.

In addition, Lyme, its supervised persons or one of its affiliates may receive consulting fees in connection with consulting services they may provide regarding land conservation strategies, as well as in connection with administrative services for related entities.

In connection with our advisory services, our Funds generally bear, or have borne, each of their own operating and investment-related expenses, including, for example:

- organizational and formation expenses,
- fees, costs and expenses directly related to their purchase and sale of investments (including real estate brokerage commissions and legal fees),
- expenses that each Fund incurs in connection with owning and operating the owned assets, including, for example, maintenance or improvement costs,
- costs and expenses of managing Funds' investments,
- fees and expenses of outside consultants and experts that we engage in connection with making or managing investments,
- certain membership expenses of relevant associations,

- costs of forest certification,
- any withholding or other taxes,
- expenses of custodians, third-party tax professionals and auditors, attorneys, and other service providers,
- insurance, risk management, indemnity and litigation expenses,
- costs and expenses incurred in dissolving, winding-up and terminating each Fund and in realizing its investments,
- other administration costs and
- fees and expenses in connection with transactions that are not consummated.

In addition, Lyme, or one of its affiliates, receives compensation for providing management services from the SMA as set forth in the SMA's Governing Documents. Additional information on fees incurred by Clients can be found in each Client's applicable Governing Documents.

Any of our pooled investment vehicles that invest in parallel share joint expenses on a pro rata basis, as applicable (unless tax, regulatory or other reasons dictate otherwise).

Item 6. Performance Based Fees and Side-By-Side Management

Lyme has entered into performance fee arrangements with each of its Clients. Such fees are set forth in detail in each of its Clients' Governing Documents and are typically calculated as a percentage of the cash flows earned and/or valuations in excess of a specified threshold.

Item 7. Types of Clients

Currently, our Clients are pooled investment vehicles and a separately managed account. Investors in these vehicles include or may in the future include (but are not/will not be limited to):

- individuals,
- pension and profit sharing plans (domestic and foreign),
- segregated accounts formed by insurance companies,
- family offices,
- trusts, estates, charitable organizations and endowments and
- limited liability companies and corporations.

Generally, our Funds have a stated minimum investment amount of \$250,000 to \$500,000. We typically have the discretion to waive minimum investment requirements for investment in our Funds.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

On behalf of our Clients, we locate, analyze, acquire, manage and dispose of timberland and rural real estate in the United States and Canada. We also may invest a Client's capital in one or more holding companies or REITs that conduct the same activities.

In evaluating investment opportunities, we examine and analyze the facts and circumstances with respect to each prospective acquisition. Our examination includes, among others, any combination of the following components:

- timber harvest regimes,
- local market fundamentals for forest products and land values,
- availability of conservation funding,
- pricing of conservation restrictions and covenants, and
- availability of, and market demand for, conservation compatible revenue (for example, hunting or fishing leases or wetlands mitigation credits).

Our research efforts often include visiting sites and meeting and collaborating with local foresters and operating partners.

Our team has expertise in the careful selection, management, and disposition of timberland and rural real estate, including lands with important conservation values. In particular, through our own employees and specialized firms that we cause our Clients to engage, we have experience in:

- the negotiation and sale of working forest conservation easements that restrict development on lands but allow income generation from sources such as sustainable timber harvesting, recreational leasing activities, and sale of ecosystem services;
- structuring advantageous debt arrangements (e.g. New Markets Tax Credit financings) that provide attractive financing terms to our clients while conferring conservation, community, and economic development benefits in the areas where we invest;
- restructuring forestry and timber operations, typically through the establishment and management of captive forest management and log marketing companies that are owned by our Clients;
- developing and managing wetland and stream mitigation banks; and
- developing and managing carbon projects on working timberlands.

Despite our methodologies and strategies, there is always the possibility that we may not correctly predict or evaluate the future performance of certain investments. Investing in any real estate assets or securities involves a risk of loss that any of our Clients or any of the investors in our Clients must be prepared to bear. For a further discussion of the risks applicable to an investment in our Funds, investors and prospective investors in those Funds must also review each applicable Fund's Governing Documents, including, for example, the private placement memorandum, which may contain additional explanations of strategies and risks that we do not discuss in this section.

Our Clients and the investors in our Clients should also be aware of certain risks arising from our management of portfolios for multiple clients at the same time, including, without limitation, the following:

- *Incentive Fees:* Performance-based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may have recommended under a different fee arrangement. In the allocation of investment

opportunities, performance-based fee arrangements may also create (i) an incentive for us to favor Clients with performance or incentive fee arrangements over Clients that are not charged, or from which we will not receive a performance fee; and (ii) an incentive for us to favor Clients from which we will receive a greater performance fee over Clients from which we will receive a lesser performance fee. We have adopted an Allocation Policy designed to ensure that all of our Clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among our Clients. We will offer Clients the right to participate in all investment opportunities that we determine are appropriate for Clients in view of relative amounts of capital available for new investments, the investment objectives, and the portfolios of our Clients. In accordance with our Allocation Policy, we will endeavor to treat each of our Clients in a fair and equitable manner.

- *Dependence Upon Principals:* Each Client's success will critically depend upon the efforts, investment skills and judgment of the Principals. In the event that a Principal ceases to be responsible for the investments of a Client for any reason, and although other personnel may be available to the Adviser, the operations of the Client could be adversely affected. Additionally, although the Adviser intends to use a variety of methodologies, including quantitative analysis, in its investment decision-making, the ultimate selection of investments for each Client's portfolio may be expected to involve, to a considerable degree, subjective factors and judgment on the part of the Principals. Finally, the Principals will be managing portfolios for multiple clients simultaneously and will not be able to devote the amount of time and resources to any given Client's investment and portfolio management activities as they would in the absence of other Client commitments.
- *Illiquidity of Interests.* Interests in the Clients are highly illiquid and are not transferable without the consent of the general partner, typically an entity under common control with the Adviser. There will be no secondary market for the interests in Clients, and consequently, holders of such interests may not be able to sell such interests except by means of the withdrawal privilege, subject to the limitations set forth in the Clients' documentation. Such limitations may include advance notice, lock up periods or suspensions of the withdrawal privilege, if the general partner determines that circumstances warrant a suspension.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Lyme or the integrity of Lyme's management. Lyme has no disciplinary events to report.

Item 10. Other Financial Industry Activities and Affiliations

Affiliates of Lyme serve as the general partners of the Funds.

Lyme does not recommend or select other investment advisers for our Clients. In addition, we do not have any other business relationships with other investment advisers. Lyme does engage, on

behalf of its clients, the services of third-party consultants to provide deal sourcing, due diligence, property management and other services, including, as noted in Item 8 above, with respect to its mitigation banking strategies.

Except to the extent necessary to perform our obligations to the Clients, Lyme and the Principals are not limited or restricted from engaging in or devoting time and attention to the management of any other businesses, including but not limited to providing consulting services (a) to philanthropists and grant-making foundations on the strategic design, implementation and evaluation of land conservation initiatives and programs targeting high-priority conservation lands, and (b) to timberland owners with respect to conservation-oriented real estate dispositions and timberland operations management.

While Lyme and the Principals will devote such time as we, in our sole discretion, deem necessary to manage investments on behalf of the Clients, we may also work on other projects, such as providing the above-referenced consulting services. Although unlikely, conflicts of interests may arise with respect to allocating management time among the Clients and consulting clients. Lyme and the Principals shall resolve any conflicts that may arise in favor of the Clients.

In addition, supervised persons of Lyme may provide certain services to public or private entities, which may include service on the board of directors or other committees of Client-owned portfolio companies or other entities. It is Lyme's policy that any fees or other economic benefit received from providing such services to a portfolio company will ultimately, either directly or indirectly, be paid or accrue to the benefit of the relevant Client. In connection with providing such services to non-portfolio companies, supervised persons may receive compensation or other economic benefits.

Lyme, or one of its affiliates, may receive rent income in connection with the subleasing of certain office space the Adviser maintains and subleases to unaffiliated third parties. Lyme, or one of its affiliates, may also receive fees for providing administrative and accounting services to certain related entities.

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

Each supervised person of Lyme has a fiduciary responsibility to act in the best interests of our Clients consistent with our Code of Ethics ("Code"). To help realize this goal, all employees are required to comply with the rules and regulations of all appropriate regulatory agencies; act honestly and ethically in the performance of their duties at Lyme; avoid conflicts of interest with Clients; and provide Clients and investors with information that is accurate, complete, objective, relevant, timely and understandable in all material respects. Confidential information acquired in the course of Lyme's business is not used for personal advantage. The confidentiality of information acquired in the course of work is respected at all times except when Lyme is authorized or otherwise legally obligated to disclose. To receive a current copy of the Code free of charge, please contact David Hoffer at 603-643-3300 or dhoffer@lymetimber.com.

Employees are required to report personal holdings and trades and to pre-clear purchases and sales of private securities and purchases of securities in initial public offerings, in accordance with Lyme's Code. The Chief Compliance Officer maintains a restricted securities list in accordance with the provision of the Code. None of Lyme's employees are permitted to trade any security while the issuer of such security is on the restricted list. Generally, we do not permit employees to participate in investment opportunities that are being considered for any of the Clients or are held by any of the Clients. Exceptions may be made to this policy on a case-by-case basis at the discretion of the Chief Compliance Officer after due consideration. Supervised persons of Lyme may invest either directly or indirectly into the Funds, and therefore, may maintain an indirect interest in the securities held by the Funds. Further, pursuant to applicable regulations, the Adviser or its affiliate may hold interests in certain special purpose vehicles, which interests may be transferred to Funds in compliance with the provisions of the Client's Governing Documents and applicable regulations.

Lyme and employees are strictly prohibited from trading in *any* security while in possession of material, non-public information regarding such security and from passing this information on to anyone except other Lyme employees who have a legitimate business reason to know this information. The Chief Compliance Officer shall put the issuer of any such security on the restricted list in accordance with the provisions of the Code.

Administration of the Code is the responsibility of the Chief Compliance Officer. Violations of the Code may result in disciplinary action, including possible termination of employment. A copy of the Code is available to Clients and investors upon request.

If an employee holds an investment in a company that is being considered for Clients, such employee's investment will be disclosed to the Lyme's investment professionals and these professionals, in consultation with the Chief Compliance Officer, will assess and address potential conflicts of interest, if any.

In very specific and limited circumstances necessitated by certain tax rules, as described in the Clients' Governing Documents, the Adviser or its affiliate may sell securities to Clients. The Adviser will seek to consummate such sales at arm's-length terms, and approval may be sought from a Client's investor advisory committee in order to minimize the risks associated with any conflict of interest.

Item 12. Brokerage Practices

Owing to the nature of our Clients' investments, Lyme does not generally use the services of FINRA-regulated broker-dealers to effect transactions. We may, at times, utilize real estate brokers to assist in the acquisition or disposition of properties on behalf of our Clients.

When selecting real estate brokers for our Clients and determining the reasonableness of their commissions, we may consider any combination of the following factors, among others:

- expertise in the timberland industry,

- potential network and contacts for selling properties,
- past success within the timberland industry, and
- the competitiveness of commission rates in comparison with other real estate brokers satisfying our other selection criteria.

In addition, some third-party property managers that we engage to manage our Clients' timberland properties may also be real estate brokers. We may decide to utilize their broker services if we feel that their pre-existing knowledge of our Clients' investments and their operations would benefit the Clients.

Item 13. Review of Accounts

Lyme conducts reviews of Client investments on a quarterly basis. Lyme management reviews and values each investment in each Client on a quarterly basis. Lyme provides financial statements, quarterly reports and investor statements to each investor in each Client in writing on a quarterly basis.

In addition, Lyme conducts formal annual meetings of the limited partners in each of its Funds. During these annual meetings, Lyme discusses Fund investments and values in detail.

Item 14. Client Referrals and Other Compensation

This Item does not apply, as Lyme receives no economic benefit in connection with Client transactions, and does not compensate any person for Client referrals.

Item 15. Custody

Rule 206(4)-2 promulgated under the Investment Advisers Act (the "Custody Rule") (and certain related rules and regulations under the Investment Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

Lyme is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian," as defined under such rule.

Rule 206(4)-2 generally imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients' funds or securities. However, Lyme need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant,

and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners. To the extent that clients or certain investors receive quarterly, or more frequent, account statements directly from a broker-dealer, bank or other qualified custodian, recipients should carefully review such statements.

Item 16. Investment Discretion

Currently, our firm accepts authority to manage our Funds' investment accounts on a non-discretionary basis. Essentially, this means that we make investment recommendations to our Funds and, when our Funds want to act on our recommendations, we execute on such recommendations on behalf of our Funds. We also manage our Funds' investments while they hold them. The general partners of each Fund, who are under common control with the Adviser, are delegated the responsibility under each Funds' Governing Documents, to decide whether to act on the Adviser's recommendations.

In the future we may also accept discretionary authority on behalf of our Funds. This essentially means that we will have the authority to determine, without obtaining specific Fund consent, the assets to purchase and the price at which to purchase the assets and when to acquire or dispose of the assets. We would also continue to manage our Funds' investments while they hold them.

Regardless of the nature of our investment authority, we are committed to adhering to the investment strategy and program set forth in the private placement memorandum for each of our Funds.

Before accepting their subscriptions for interests, we provide all investors in our Funds with the relevant Governing Documents, including, but not limited to, a private placement memorandum or other disclosure document that sets forth, in detail, the relevant investment strategy and program as well as the Fund's limited partnership agreement. By completing our subscription documents to acquire an interest in one of our Funds, investors give us complete authority to manage their investments in accordance with the private placement memorandum or other disclosure document they each received.

Item 17. Voting Client Securities

Although voting client securities is generally not a service provided by Lyme to its Clients, to the extent Lyme is deemed to have voting authority on behalf of a Client and actually exercises such authority, Lyme complies with its proxy voting policies and procedures that are designed to ensure that in cases where Lyme votes proxies with respect to a Client's securities, such proxies are voted in the best interests of the Client.

If a material conflict of interest between Lyme and a Client exists, Lyme will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action.

To the extent Lyme is deemed to have voting authority on behalf of a Client and actually exercises such authority, additional information about Lyme's proxy voting policies and procedures, or information about how Lyme voted proxies, would be available by contacting David Hoffer at 603-643-3300 or dhoffer@lymetimber.com.

Item 18. Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our Clients.

Lyme has never been the subject of a bankruptcy petition.