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**May 15, 2017**

**Firm Brochure  
(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of Goodwood Capital Management, LLC. If you have any questions about the contents of this brochure, please contact Ryan Thibodeaux at 225-706-1599 or email [ryan@goodwoodcapitalmgmt.com](mailto:ryan@goodwoodcapitalmgmt.com). The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Additional information about Goodwood Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Goodwood Capital Management, LLC's CRD # is 163595.

Goodwood Capital Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 MATERIAL CHANGES**

Since the filing of our last annual updating amendment on March 17, 2016, we have no material changes to report.

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## Item 4 ADVISORY BUSINESS

Goodwood Capital Management, LLC (hereinafter "Goodwood") is a Louisiana based company founded in 2012. The principal owner of our firm is Goodwood Partners, LLC. Ryan D Thibodeaux is the principal owner of Goodwood Partners, LLC.

### Investment Advisory Services

Goodwood manages all investment advisory accounts on a discretionary basis. Our investment advice is tailored to meet your needs and investment objectives. Goodwood conducts initial and subsequent consultations to ascertain the investment objective and investment parameters, policies and guidelines, including any investment restrictions, of the client. We will use this information to develop a strategy that enables us to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our investment advisory services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives and/or may invest your assets according to model strategies/composites as discussed below. Once we construct an investment portfolio for you, we will monitor its performance on an ongoing basis, and will rebalance your portfolio as required by changes in market conditions and in your financial circumstances.

We require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your prior approval. Discretionary authority is typically granted by the agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

### Private Clients

Clients that engage Goodwood to manage all or a substantial portion of their assets are considered "Private Clients" herein. Following the initial consultation, Goodwood frequently recommends one of three Asset Allocation Composites - Aggressive, Moderate or Conservative. Private Clients may have multiple accounts, which may also have varying investment objectives and therefore may be invested in one or more Asset Allocation Composites. Goodwood frequently recommends both Traditional, as well as "Alternative Mutual Funds" to its Private Clients. Alternative Mutual Funds are publicly offered, SEC-registered funds that differ from the buy-and-hold strategy typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund typically holds more non-traditional investments and employs more complex trading strategies. Investors considering alternative mutual funds should be aware of their unique characteristics and risks. While Goodwood frequently recommends these securities, it reserves the right to advise clients on any type of investment that it deems appropriate based on the client's stated goals and objectives. Goodwood may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship.

Goodwood does not provide financial planning services.

### Investment Advisory Services for Managed Account Clients

Clients that engage Goodwood to manage a portion of their assets in a single investment strategy are considered "Managed Account Clients" herein.

Goodwood frequently recommends the GCM Long/Short Equity Composite, which typically includes stocks of companies that have a market capitalization less than \$20 billion, with a goal of achieving attractive rates of return over a three to five-year time horizon within a sufficiently concentrated portfolio of our best ideas. Additional information on the GCM Long/Short Equity strategy can be found on our website: [www.goodwoodcapitalmgmt.com](http://www.goodwoodcapitalmgmt.com)

As a condition to accepting a Private Client or a Managed Account Client, Goodwood requires the client to deposit his or her funds and securities in a securities brokerage account with a broker/dealer. The broker/dealer will act as the qualified custodian of the client's assets and, as instructed by Goodwood, will execute the purchase and sale transactions in the client's account. Goodwood frequently recommends TD Ameritrade Institutional as qualified custodian for Private Clients and Managed Account Clients as discussed in further detail below in Item 12.

### **Consulting Services**

Goodwood provides consulting services to high net worth individuals and/or corporations. These services may include but may not be limited to providing financial analysis and/or industry research to the client. In cases where the client is a publicly traded corporation, Goodwood will be restricted from transacting in the shares of the client.

Goodwood Capital does not participate in any "Wrap Fee Programs."

### **Assets Under Management**

As of January 31, 2017 we manage \$27,791,481 in client assets on a discretionary basis and no client assets on a non-discretionary basis.

## **Item 5 FEES AND COMPENSATION**

### **Investment Advisory Services**

Goodwood is compensated for its advisory services by fees as a percentage of assets under management. Goodwood deducts fees from Client's accounts on a monthly basis, in arrears based on the value of your assets under management at the end of the month. For Individual Managed Account strategies that include short-selling, Goodwood includes the value of the short balance in the total assets under management for billing purposes. You will also be billed directly for custodial fees, transaction fees and brokerage fees from the custodian/broker where the account is held. Management Fees are prorated for each capital contribution and withdrawal made during the calendar month. Accounts initiated or terminated during the month will be charged a prorated fee. Upon termination of any account earned fees will be due and payable.

### **Individual Private Client Asset-based Fee Schedule**

<b><u>Strategy Composite</u></b>	<b><u>Assets Under Management</u></b>	<b><u>Annual Management Fee</u></b>
GCM Aggressive Balanced	All Assets	1.25%
GCM Moderate Balanced	All Assets	1.25%
GCM Conservative Balanced	All Assets	1.00%

### **Individual Managed Account Client Fee Schedule**

<b><u>Strategy Composite</u></b>	<b><u>Assets Under Management</u></b>	<b><u>Annual Management Fee</u></b>	<b><u>Annual Performance Fee **</u></b>
GCM Long/Short Equity - Qualified	Greater than \$1,000,000	1.00%	15% of Profits
GCM Long/Short Equity	All Assets	1.50%	None

\*\*The performance based fee is subject to a high water mark which means that that you will only pay a performance fee to the extent that the amount of the capital increase exceeds the sum of any cumulative loss in your account on a per calendar year. Performance-based fees are generally payable annually in arrears, on the earlier of the last day of each calendar year, or the date on which the investment management agreement is terminated.

### **Institutional Managed Account Client Asset-based Fee Schedule**

<b>Strategy Composite</b>	<b>Assets Under Management</b>	<b>Annual Management Fee</b>
GCM Long/Short Equity (All)	Greater than \$5,000,000	1.00%

The foregoing represents the fees that Goodwood generally charges. However, fees are negotiable, in limited circumstances, and at Goodwood 's sole discretion.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

The client has the right to terminate the advisory agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client.

### **Consulting Services**

The fee (which may be an hourly rate or a fixed fee) and fee paying arrangements for consulting services will be negotiated with each client on a case by case basis based on the scope and complexity of the services provided.

### **Additional Fees**

As part of our investment advisory services to you, we may invest, or recommend that you invest in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. Our firm does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. This creates a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. To address this conflict, we will only

utilize margin when, consistent with our fiduciary duty, it is suitable and consistent with your tolerance for risk. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you advisory fees as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  1. Employer retirement plans generally have a more limited investment menu than IRAs.
  2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  1. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  1. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if

- you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
  8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
  9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
  10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

## **Item 6 PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT**

We may charge performance-based fees to "Qualified Clients" who generally are persons who have a net worth greater than \$2,100,000 or have at least \$1,000,000 under our management, immediately after entering into an investment advisory agreement. Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. The amount of the performance based fee we charge is described in the "Advisory Business" section in this Brochure.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Goodwood does not manage proprietary funds.

## **Item 7 TYPE OF CLIENTS**

Goodwood Capital provides its services to individual and institutional clients.



### Separate Accounts

The portfolio management services provided to separate account clients ("Separate Accounts") are implemented using the "Methods of Analysis, Investment Strategies and Risk of Loss" described in Section 8 below. Goodwood manages Separate Accounts on a discretionary basis and generally imposes a minimum account size of \$500,000 to open and maintain a Separate Account. Goodwood may, in its sole discretion, waive its minimum account size based upon certain criteria including anticipated future additional assets, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

## **Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Managed Account Strategy - Long/Short Equity**

#### **Investment Objective**

Our primary objective is to achieve long term capital appreciation by investing both long and short in Small and Mid-Cap equity securities.

#### **Investment Strategy**

The strategies primarily invest in the common stocks of companies with market capitalizations less than \$20 billion. Our equity universe is broadly comparable to the Russell 2500 Index. The strategy follows Value-biased investment philosophy rooted in fundamental, bottoms-up analysis with quantitative risk controls, which we refer to as "Risk Adjusted Value"

#### **Risk Management**

We control risk by only investing in sectors within our core competencies and appropriately sizing positions within portfolios. We also use Call/Put options to hedge individual position risk and make more efficient use of capital.

#### **Investment Research Process:**

We utilize a mosaic approach, collecting industry data from various public and private sources, as well as our prior years of research that might be relevant to present day factors. Our investment team will use publicly available resources and research from other sell-side analysts to gain a better understanding of current and past business/industry conditions and interview management teams. We will construct Excel-based financial statements (models) to analyze historical business trends and forecast future earnings estimates.

#### **Long Portfolio Stock Selection:**

We like to invest in companies that can compound shareholder value over time at reasonable valuations. Our investments in companies are made at sharply discounted valuations based on our fundamental analysis and estimates of future earnings.

We do not buy companies simply because their stock prices are cheap by traditional measures (value traps), nor do we buy companies simply because their stock prices are rising (momentum). We search for companies whose stock prices are dislocated from long-term fundamentals due to shorter-term internal or external factors. We also look for companies that are "under-earning" due to investments in new products and services or cyclical industry dynamics. Mostly, we strive to determine the catalysts and drivers of future earnings that market participants underestimate versus our own analysis and forecasts. We believe that long term earnings and/or normalized cycle earnings determine future stock price appreciation. If we can identify stocks trading at the low end of historical valuation ranges based

on past earnings and our research leads us to conclude that earnings will be greater than the "consensus" expects, we expect to be rewarded through increased valuation and earnings normalization.

### **Short Portfolio Stock Selection:**

We do not sell short companies simply because their stock prices are expensive by traditional measures (growth traps), nor do we sell short companies simply because their stock prices are falling (momentum). We search for companies whose stock prices are dislocated from long-term fundamentals due to shorter-term internal or external factors. We also look for companies that are "over-earning" due to transient fundamental factors. Mostly, we strive to determine the catalysts and drivers of future earnings that market participants overestimate versus our own analysis and forecasts. We believe that long term earnings and/or normalized cycle earnings determine future stock price appreciation. If we can identify stocks trading at the high end of historical valuation ranges based on past earnings and our research leads us to conclude that earnings will be less than the "consensus" expects, we expect to be rewarded through decreased valuation and earnings normalization.

### **Portfolio Construction:**

We believe that an actively managed equity strategy should be fairly concentrated to generate above average long term investment returns. We will invest greater amounts of capital in companies where we find greater Risk Adjusted Value and vice versa. If we do not have ample evidence to indicate that earnings growth will exceed our estimates and we cannot justify a higher valuation, we will reduce the weighting of the position as the price appreciates or exit the position if warranted. If we are incorrect on fundamentals analysis, we will exit the position. We believe our Risk Adjusted Value approach to stock selection and portfolio construction, along with actively hedging with options, can generate superior risk-adjusted returns over a three to five-year time horizon.

You may find additional detail on the GCM Long/Short Equity strategy on our website:  
[www.goodwoodcapitalmgmt.com](http://www.goodwoodcapitalmgmt.com).

### **Private Client Strategies Investment Objective**

Our primary objective is to achieve long term income and capital appreciation in accordance with the client's risk profile and investment time horizon.

### **Investment Strategy**

The strategies primarily invest in publicly traded securities including mutual funds, closed end funds, exchange traded funds (ETFs), preferred securities, publicly traded partnerships as well as individual stocks and bonds. Goodwood conducts proprietary research on various investment strategies used in mutual funds and determines which strategies may add value to our Private Client portfolios. We frequently recommend "Alternative Strategy" mutual funds for our client portfolios, as our research has indicated that these strategies may offer superior risk-adjusted returns over the long term compared to Traditional asset allocation model portfolios.

### **Risk Management**

We control risk by only investing in strategies and securities where we have conducted our due diligence and by appropriately sizing positions within portfolios.

### **Investment Philosophy**

Our Private Client investment philosophy seeks to strike a balance between Risk and Return. We believe that traditional asset allocation models generally expose investors to excess Equity Risk since they typically use Long-only strategies (only generate positive returns when stock prices are rising).

This subjects investors to excess price volatility (Risk) and they may experience periods of larger than expected portfolio declines. We seek to reduce these risk by using Alternative strategies that may generate positive returns in a multitude of market environments with a lower level of price volatility.

### Risks

Investment in securities involves risk of loss that clients should be prepared to bear. Goodwood does not guarantee the performance of the account, any investment or asset in the account, any specific level of performance, the success of any investment decision or strategy that Goodwood may use, or the success of Goodwood's overall management of the account. Clients should understand that investment decisions made for clients' accounts by Goodwood are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Goodwood will manage only assets held in the client's account and in making investment decisions for the account, Goodwood will not consider any other securities, cash or other investments held away from our management.

Some of the securities used by the firm are listed below. In addition, a full description of risks stated in the securities descriptions is provided below the security descriptions.

Preferred Stock: Stock of a corporation that provides a specific dividend that is paid before payment of dividends to common stock holders. Preferred stock takes precedence over common stock in the event of a liquidation, but it does not carry voting rights. The primary risk associated with preferred stock is credit risk with liquidity risk being a secondary consideration.

Common Stocks: Common stocks of corporations that may or may not pay a dividend. Typically, common stocks carry voting rights. Domestic common stocks are categorized by the market capitalization of the company with less than \$1 billion being small cap, \$1-\$25 billion being mid cap, and greater than \$25 billion being large cap. The primary risks of domestic common stocks are price risk and credit risk.

Mutual Funds: Mutual funds are pooled investment vehicles providing broad market exposure to a particular asset class or investment sector. The primary risk of mutual funds is price risk.

Real Estate Investment Trusts (REITs) generally, are companies that own - and typically operate - income-producing real estate or real estate-related assets. REITs provide a way for individual investors to earn a share of the income produced through commercial real estate ownership - without actually having to go out and buy commercial real estate. The income-producing real estate assets owned by a REIT may include office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, warehouses, and mortgages or loans. The primary risk of a REIT is price risk.

Master Limited Partnerships (MLPs) are limited partnerships that are publicly traded. MLPs are generally limited to businesses that engage in production, transportation or storage of natural resources such as petroleum or natural gas. These businesses must generate 90% of their income from qualifying sources and make quarterly required distributions to limited partners. The primary risk of an MLP is price risk.

Options: Options are the right to buy or sell a specified security at a specific price at some point in the future. The primary risk of options is price risk.

Short Selling: A short sale is the sale of a stock that an investor does not own or a sale which is consummated by the delivery of a stock borrowed by, or for the account of, the investor. Short sales are normally settled by the delivery of a security borrowed by or on behalf of the investor. The investor later closes out the position by returning the borrowed security to the stock lender, typically by

purchasing securities on the open market. Investors who sell stock short typically believe the price of the stock will fall and hope to buy the stock at the lower price and make a profit. Investors lose money if the stock rises. The total possible gain on a short sale is 100%, if the stock fell to zero. On the other hand, the total possible loss is, in theory, unlimited as the stock price can rise indefinitely. The primary risk of short selling is price risk.

All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Our investment approach constantly keeps the risk of loss in mind. Depending on the types of securities you invest in, you may face the following investment risks:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Derivatives (options) Risk:** Options involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss, including the loss of principal.
- **Small/Mid Cap Risk:** Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

## **Item 9 DISCIPLINARY INFORMATION**

Neither Goodwood Capital Management, LLC nor any of its management persons have any legal or disciplinary reportable events.

## **Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Goodwood Capital Management, LLC is under common control and ownership with Goodwood Advisors, LLC an affiliated investment adviser. Goodwood Advisors, LLC is the investment adviser to the Goodwood SMID Long/Short Fund (the "Fund"), a series of the Starboard Investment Trust, a registered investment company. When suitable, Goodwood Capital Management, LLC may purchase the Fund for client accounts and clients are hereby advised that Goodwood Capital Management, LLC may have an incentive to purchase the Fund for clients over other investments given the affiliation between the firms. The fees charged by Goodwood Capital Management, LLC are separate and apart from the fees charged by Goodwood Advisors, LLC for managing the Fund, however, in the event Goodwood Capital Management, LLC purchases the Fund for clients, Goodwood Capital Management, LLC will not include the value of clients' investment in the Fund for purposes of calculating its investment advisory fees.

## Item 11 CODE OF ETHICS

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. We place our clients' interest first. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We expect all of our Associated Persons to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at the telephone number listed on the cover page of this brochure.

### Participation or Interest in Client Transactions

As discussed above in Item 10 we may purchase the Goodwood SMID Long/Short Fund for client accounts. Our affiliated adviser, Goodwood Advisors, LLC is the investment adviser to the Fund and Associated Persons of our Firm may also have made investments in the Fund and therefore may have an incentive to purchase Fund for clients over other investments.

### Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts. We may also combine our orders to purchase or sell securities with your orders to purchase or sell securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our firm's policy that we shall not have priority over your account in the purchase or sale of securities.

## Item 12 BROKERAGE PRACTICES

### Your Brokerage and Custody Costs

Our firm participates in the TD Ameritrade Institutional program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some economic benefits from TD Ameritrade through our participation in this program. (Please see the disclosures under the Client Referrals and Other Compensation section below).

### Best Execution

We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade including the value of any research provided, the firms' reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In

recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trading and Allocation Procedures**

The objective of the block trading and allocation procedures of Goodwood is to allocate investment opportunities fairly among clients so that, over time, all clients are treated equitably. It is Goodwood's general policy to allocate purchase or sale opportunities on a pro rata basis to all appropriate clients. However, Goodwood recognizes that a pro rata allocation may not always be feasible or in the best interests of clients.

In allocating a transaction Goodwood may also consider specific circumstances related to an account or an investment. As such, account allocations become tailored as necessary to the needs, restrictions and circumstances of each client account. Employee fee-paying accounts managed by Goodwood will be allocated transactions in the same manner as other Client accounts.

Block trades are used whenever possible. A block trade is a group of orders for more than one client entered as one order. Block trades will be allocated to client accounts in a systematic non-preferential manner. If the block trade does not fill at one price, resulting in partial fills, allocations to client accounts will be made on an average pricing basis. Average pricing amounts to adding up all the buys or sells at their particular price levels, multiplied by the number of shares at each particular price level, and dividing by the total number of shares to determine an average price for the whole block trade. If average pricing is unavailable, the high-low method will be used. This method applies the higher fill prices to the higher account numbered clients for both buys and sells, and the lower fill prices to the lower account numbered clients for both purchases and sales. The accounts participating in a block trade will pay transaction costs on a pro rata basis.

In some cases we may purchase/sell the same securities for client accounts as those purchased/sold by Goodwood Advisors, LLC for the Goodwood SMID Cap Long/Short Fund. In such cases the Fund and the separately managed accounts(which may be block traded), shall trade on an alternating basis in terms of priority.

## **Item 13 REVIEW OF ACCOUNTS**

Ryan D Thibodeaux, Manager, and/or Joshua Pesses, Investment Adviser Representative, monitor client accounts on an ongoing basis and conduct an internal review of accounts on at least a quarterly basis to determine:

- Cash levels as a percent of the total portfolio

- Performance of the portfolio and individual securities
- Unexpected changes in the portfolio value
- If account is in compliance with the Investment Management Agreement
- Quality of custodian
- Market related events
- Changes in tax laws

Goodwood provides a quarterly report, including account performance, to all Private Clients and Managed Account Clients. In addition, clients will receive statements from the qualified custodian on at least a quarterly basis. Additionally, you may have access to your accounts on a daily basis via the custodian's website.

Clients with taxable accounts additionally receive annual reports from Goodwood that are needed for income tax reporting purposes.

## **Item 14 CLIENT REFERRALS AND OTHER COMPENSATION**

We may from time to time, directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

As disclosed under Item 12 above, we participate in TD Ameritrade's Institutional Advisor Program and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our clients; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client accounts); the ability to have our fees deducted directly from our clients' accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our associated persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment), expenses for our personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor

custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist our firm in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop our business enterprise.

The benefits received by our firm and our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade and are not considered "soft dollar" benefits. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or associated persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

## **Item 15 CUSTODY**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. The reports we provide to you will also reflect the amount of advisory fee deducted from your account.

You should compare our reports with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 INVESTMENT DISCRETION**

Goodwood usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Goodwood observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Goodwood in writing.

## **Item 17 VOTING CLIENT SECURITIES**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



## **Item 18 FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Goodwood's financial condition. Goodwood has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 REQUIREMENTS FOR STATE REGISTERED ADVISERS**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 ADDITIONAL INFORMATION**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit except as noted below.

For accounts custodied at TD Ameritrade, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.