



Part 2A of Form ADV
Firm Brochure

Smith Whiley & Company

Headquarters:
242 Trumbull Street
Eighth Floor
Hartford, Connecticut 06103
www.smithwhiley.com

Contact:
Gwendolyn Smith Iloani
President and Chief Executive Officer
Telephone: 860-548-2513
Fax: (860) 548 - 2518
gwendolyn.iloani@smithwhiley.com

As of July 15, 2012

This brochure provides information about the qualifications and business practices of Smith Whiley & Company. If you have any questions about the contents of this brochure, please contact Gwendolyn Smith Iloani, President and Chief Executive Officer of Smith Whiley & Company, at (860) 548-2513 or via e-mail at gwendolyn.iloani@smithwhiley.com.

Please note that the information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or SEC, or by any state securities authority.

Additional information about Smith Whiley & Company also is available on the SEC's website at www.adviserinfo.sec.gov.

Smith Whiley & Company is an investment adviser registered with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 MATERIAL CHANGES

Please note that this brochure discusses only material changes from March 15, 2012, the last annual update to our brochure. We have clarified in a few places throughout this brochure that our only clients are SW Pelham Fund, L.P., SW Pelham Fund II, L.P., SW Pelham Fund III, L.P. and SW Pelham Fund IV, L.P. and not the limited partners of the foregoing investment partnerships. We have also generally updated the brochure to reflect our current business model as an investment adviser only to our investment partnerships.

| Item 3 | TABLE OF CONTENTS | Page |
|---------|--|------|
| Item 2 | MATERIAL CHANGES | 2 |
| Item 3 | TABLE OF CONTENTS PAGE | 3 |
| Item 4 | ADVISORY BUSINESS..... | 4 |
| Item 5 | FEES AND COMPENSATION | 6 |
| Item 6 | PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT | 7 |
| Item 7 | TYPES OF CLIENTS..... | 8 |
| Item 8 | METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... | 9 |
| Item 9 | DISCIPLINARY INFORMATION | 15 |
| Item 10 | OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..... | 16 |
| Item 11 | CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING | 17 |
| Item 12 | BROKERAGE PRACTICES | 19 |
| Item 13 | REVIEW OF ACCOUNTS..... | 20 |
| Item 14 | CLIENT REFERRALS AND OTHER COMPENSATION..... | 21 |
| Item 15 | CUSTODY..... | 22 |
| Item 16 | INVESTMENT DISCRETION | 23 |
| Item 17 | VOTING CLIENT SECURITIES..... | 24 |
| Item 18 | FINANCIAL INFORMATION | 25 |

Item 4 ADVISORY BUSINESS

Smith Whiley & Company was formed in May 1994 by its President and Chief Executive Officer, Gwendolyn Smith Iloani. In 1994, Smith Whiley & Company became an SEC-registered investment adviser focused on the alternative investment industry. Smith Whiley & Company is headquartered in Hartford, Connecticut, and it has a regional office in the Mid-West, which is located at 1007 Church Street, Suite 400, Evanston, Illinois. Gwendolyn Smith Iloani is the principal shareholder of Smith Whiley & Company.

Smith Whiley & Company provides investment advisory and management services to private pooled investment vehicles, otherwise referred to as investment partnerships, that are offered to investors on a private placement basis. Smith Whiley & Company serves as investment manager to SW Pelham Fund, L.P., SW Pelham Fund II, L.P., SW Pelham Fund III, L.P., SW Pelham Fund IV, L.P. and each of their respective general partners, Pelham Capital Management, LLC, Pelham Capital Management II, LLC, Pelham Capital Management III, LLC and Pelham Capital Management IV, LLC, respectively. In June 2010, SW Pelham Fund, L.P. began the process of winding up its business, and to that end, the investment partnership formed a liquidating trust in June 2011 to effectuate the winding up of the business. Since 2003, Smith Whiley & Company has been serving as the investment manager for the other two investment partnerships and their respective general partners. SW Pelham Fund IV, L.P. is currently in the fund raising stage with anticipated closings scheduled for 2012. Smith Whiley & Company believes that all limited partners in the investment partnerships are “qualified purchasers,” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended.

The investment partnerships offer limited partners an opportunity to participate in the lower end of the middle market for mezzanine debt and private equity securities through its investment partnerships. Smith Whiley & Company advises its clients on investment selection of lower middle market companies for their respective portfolios. The general partners of the investment partnerships have delegated the day-to-day investment advisory and management services of the investment partnerships to Smith Whiley & Company. In addition to investment strategy, Smith Whiley & Company provides deal origination, investment negotiation, portfolio management, portfolio monitoring, liquidity management and certain back office services to its clients.

Smith Whiley & Company's investment objective for each investment partnership is to (1) generate competitive investment yields by seeking value-added opportunities and/or (2) maximize the value of existing holdings of mezzanine debt and private equity securities through active portfolio management. Diversification is achieved by investing in different industries and in various investment types and structures. The investment strategy, type and quality of financial instruments to be used are specified in the applicable investment partnership offering documents, side letters (if applicable) or other governing documents. When providing these services, Smith Whiley & Company directs and manages the investment of each investment partnership's assets and provides reports to investors as described under “Item 13 - Review of Accounts” in this Brochure.

Item 4 **ADVISORY BUSINESS (CONTINUED)**

Generally, the investment partnership investments in private companies, or portfolio companies, will include a range of securities including:

- Unsecured and secured subordinated debt,
- Secured and unsecured senior debt,
- Preferred equity,
- Common equity,
- Warrants, and
- Other structured cash on cash or bonus types of synthetic incentives.

Smith Whiley & Company has full discretionary authority with respect to investment decisions. Smith Whiley & Company's advice with respect to the investment partnerships is given in accordance with the investment objectives and guidelines set forth in the applicable investment partnership's offering documentation. Smith Whiley & Company tailors its advisory services to the individual needs of its investment partnership clients and the limited partners of such investment partnerships may impose restrictions on investing in certain securities and types of securities through side letters or otherwise.

WRAPS FEE PROGRAM

Smith Whiley & Company does not offer or participate in any wrap fee programs.

AMOUNT OF MANAGED ASSETS

As of May 31, 2012, Smith Whiley & Company manages \$91,720,737 on a discretionary basis. As of May 31, 2012, Smith Whiley & Company does not manage clients on a non-discretionary basis.

Item 5 Fees and Compensation

Management Fee Generally

Smith Whiley & Company is eligible to receive a quarterly management fee which is based on a percentage of assets under management and may be paid in advance or arrears and pro-rated for partial quarters. Management fees payable to Smith Whiley & Company from SW Pelham Fund II, L.P. and SW Pelham Fund III, L.P. are paid quarterly in advance during the investment period and then in arrears thereafter and deducted from capital contributions made by their limited partners or out of investment proceeds. When outside investors are accepted in SW Pelham Fund IV, L.P., Smith Whiley & Company anticipates SW Pelham Fund IV, L.P. will charge a similar management fee. While Smith Whiley & Company does not currently receive a performance fee in connection with its services to the investment partnerships, each of the investment partnerships' related persons, Pelham Capital Management, LLC, Pelham Capital Management II, LLC, Pelham Capital Management III, LLC and Pelham Capital Management IV, LLC, in their respective capacities as general partners of the investment partnerships, receives or will receive a performance allocation based on a percentage of the capital gains or capital appreciation of assets under management.

In addition to management fees, the investment partnerships generally will bear certain operating and organizational expenses. These expenses will vary, but typically include, without limitation, all reasonable legal, accounting, filing, capital raising, and other organizational and offering expenses incurred in the formation of each investment partnership. Other fees and expenses may also include, without limitation, all fees, costs and expenses incurred in developing, negotiating, structuring, marketing and disposing of portfolio investments, including financing, legal, accounting, tax, audit, advisory and consulting expenses; and operating expenses, including, without limitation, commissions, custodial expenses, litigation, directors' and officers' liability insurance, indemnification obligations and certain broken deal expenses, taxes, fees and similar governmental charges, expenses of liquidating the investment partnerships and expenses of the investment partnerships' advisory committee (comprised of representatives of certain of the limited partners of the investment partnerships), or advisory committee. The offering documents of each investment partnership set forth the specific arrangements regarding operating and organizational expenses for each investment partnership.

Other Fees

Smith Whiley & Company may receive certain cash and non-cash net transaction, directors' and break-up fees which vary by investment. Other fees may offset or reduce the management fees paid by limited partners pursuant to a formula set forth in the relevant investment partnership offering documents.

As detailed above, the investment partnerships will bear certain brokerage and other transaction costs in connection with Smith Whiley & Company providing investment management services - please see "Item 12 - Brokerage Practice" for a further description of Smith Whiley & Company's brokerage practice.

Item 6 PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

Smith Whiley & Company does not charge a performance-based fee or allocation, but the general partners of the investment partnerships charge or will charge a performance allocation based on a share of capital gains on, or capital appreciation of, assets under management.

The general partners of the investment partnerships charge or will charge the investment partnerships a negotiated performance allocation based on a share of capital gains or capital appreciation of assets under management, or based on some other measurement agreed upon between the applicable investment partnership and the general partner (generally, as carried interest after limited partners in the applicable investment partnership receive a negotiated preferred return). Any performance allocation charged to the investment partnerships will comply with the requirements of Section 205 of the Investment Advisers Act of 1940, as amended, and the applicable rules thereunder.

Performance allocations may create an incentive for the general partners to select investments that are riskier or more speculative than would be the case in the absence of such performance allocations.

In order to mitigate potential conflicts of interest, each of the investment partnerships, together with any respective parallel fund(s), has a limited partner advisory committee, or advisory committee. Each advisory committee consists of limited partners unaffiliated with Smith Whiley & Company who have been selected by the applicable general partner as representatives of the corresponding investment partnership. The purpose of the advisory committee is to, among other things: (i) review and approve any potential conflicts of interest in any transaction between the investment partnership and its general partner or its employees or affiliates presented to the advisory committee; and (ii) provide advice and counsel on other issues requested by the general partner or required pursuant to the applicable partnership agreement in connection with other potential conflicts of interest, valuation matters, additional fees received by the general partner and other matters relating to the investment partnership. No fees are paid to the members of any advisory committee, but the members may be reimbursed for reasonable expenses incurred in connection with attending meetings.

To ensure client interests are placed first, we have implemented policies and procedures (including the intra-investment partnership investment allocation policy) for fair and consistent allocation of investment opportunities among all investment partnerships.

Item 7 TYPES OF CLIENTS

Smith Whiley & Company provides investment advisory services to SW Pelham Fund, L.P., SW Pelham Fund II, L.P. and SW Pelham Fund III, L.P. and will provide such services to SW Pelham Fund IV, L.P., and their respective general partners Pelham Capital Management, LLC, Pelham Capital Management II, LLC, Pelham Capital Management III, LLC and Pelham Capital Management IV, LLC, respectively, on a discretionary basis, as described under “Item 4 - Advisory Business” of this Brochure.

The investment partnerships are private investment funds that make direct investments in businesses which operate in the lower to middle market. Each investment partnership operates as a pooled investment vehicle. The minimum capital commitment for a limited partner in an investment partnership is \$5 million; however, under the offering documentation of the applicable investment partnership, the general partner of the investment partnership will generally reserve the right to accept commitments under this amount.

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

METHODS OF ANALYSIS

Smith Whiley & Company employs a disciplined *five step* investment process to evaluate potential investments. Smith Whiley & Company believes that the groundwork for prudent investing is made during the analysis that precedes the actual investment. Smith Whiley & Company's first step in the investment process is the pre-clearance phase. The pre-clearance phase is designed to efficiently eliminate opportunities that may not fit the risk-return profile of the investment partnership, thus ensuring that resources are appropriately allocated to viable investment opportunities. The pre-clearance process involves an initial assessment made by a team comprised of no fewer than two investment professionals, or portfolio management team, to assess whether the proposed investment meets the macro requirements of the applicable investment partnership: return potential, fit with the investment partnership's investment horizon, strength of the management team, key operating parameters and business fundamentals, financial performance and prospects.

The second step in the investment process is the due diligence phase where the portfolio management team conducts a complete review of: (i) management (references and background checks), (ii) corporate strategy; (iii) operations; (iv) products and services; (v) market and industry; (vi) competition and competitive analysis (advantages and disadvantages); (vii) the organizational structure; (viii) historic and projected financials; (ix) intellectual property, such as, patents and trademarks; (x) technical fundamentals; (xi) legal and environmental considerations; (xii) government compliance; (xiii) industry valuation multiples to assess entry valuation and feasible exit strategies; and (xiv) equity sponsors (i.e., track record, behavior history in distressed situations, etc.) and co-investors. Research also includes a discussion with the prospective portfolio company's senior lender, and an analysis of historical margins and expense structures. Smith Whiley & Company conducts its own primary research that is supplemented by third-party industry analyses and market research. Furthermore, the portfolio management team "stress tests" the financial projections based on several different scenarios.

In the third step of the investment process, the final investment decision is made by Smith Whiley & Company's internal investment committee, or investment committee, which formally meets to review the investment opportunity. After completing due diligence, the portfolio management team provides each member of the investment committee with a detailed investment review memorandum outlining the merits and risks of the investment along with a set of financial models.

A majority vote of the investment committee is required and must include the affirmative vote of the three executive committee members: Gwendolyn Smith Iloani, Kurt H. Nyman and Venita E. Fields.

Once the investment committee has voted to proceed with the investment, the proprietary credit risk assessment matrix and the sponsor risk assessment matrix (if applicable) are completed by the committee members. Smith Whiley & Company developed its comprehensive and proprietary credit risk-assessment matrix to ensure that all transactions are consistently evaluated and priced. The credit risk assessment matrix is multi-dimensional and evaluates both credit and structure considerations. The credit risk assessment matrix addresses five areas of investment risk, including (i) management, (ii) profitability/liquidity/leverage, (iii) product viability, (iv) operations and (v) industry.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (*CONTINUED*)

METHODS OF ANALYSIS (*CONTINUED*)

These areas are weighted differently by Smith Whiley & Company depending upon the circumstances. The credit risk assessment matrix also has an adjustment factor for other considerations that may impact risk, including, without limitation, the position of the proposed investment within the capital structure, the presence of an equity sponsor, recurring revenues (i.e., contractual relationships, backlog), collateral and patents.

The investment process also includes a proprietary sponsor risk assessment matrix, which was developed to assess the quality and risk profile of both the funded and fundless equity sponsors. The sponsor risk assessment matrix is also multi-dimensional and allows the investment committee to rank risk in the following areas (i) fund management, (ii) track record of the equity sponsor, (iii) value proposition, (iv) operating value added, (v) managerial oversight, and (vi) the economics for the equity sponsor. These areas, too, are weighted differently by Smith Whiley & Company depending upon the circumstances.

Once a deal has been presented to the investment committee, each member of the investment committee completes both the credit risk assessment matrix and the sponsor risk assessment matrix and the results are compiled towards risk assessment scores. The scores are used to benchmark the return expectations; the higher the score, the higher the perceived investment risk and, thus, an increased return potential is required. After an investment has been made, the risk assessment scores are revisited and updated on a periodic basis to reflect, among other things, current performance, market conditions, capital structure and business conditions. The ongoing risk assessment scoring helps to guide any remedial action needed throughout the course of the investment. Once the transaction is approved, any conditions to close or changes to previously proposed structure or pricing are discussed with the potential borrower and its representatives. At this point any unfinished due diligence is completed.

During the fourth step of the investment process, the specifics of the transaction are examined more closely and legal documentation of the deal terms and covenants occurs. Particular attention is paid to representations made by the portfolio company to third parties whose documentation is incorporated by reference. In all transactions, financial, operating, market and competitive performance are monitored throughout the closing cycle to ensure that there are no mid-course transgressions or, in the event they arise, the investment is either re-evaluated, re-priced or its terms revisited. All investment negotiations are conducted in-house by the investment team that originated the opportunity. The investment team consults the executive committee on matters of significance. In all instances special counsel is hired to draft documentation, conduct the legal due diligence, negotiate disclosure items and other legal points. All items of legal negotiation are communicated to the investment team, who is consulted as necessary.

Once a transaction closes and is funded, Smith Whiley & Company undertakes the fifth step of the investment process, which involves the following: (i) ongoing reviews of a portfolio company's financial performance and strategic plans; (ii) tracking product development; (iii) evaluating managerial depth; and (iv) causing mid-course corrections as necessary.

Investing in securities involves a high degree of risk, including the risk that the entire amount invested may be lost. Investors should be prepared to bear such risks of loss.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (CONTINUED)

INVESTMENT STRATEGIES

The investment strategy of each of the investment partnerships is generally to make mezzanine debt investments with equity and other types of participating features *combined* with selective investments in private equity. This means that the investment partnerships will typically invest in senior subordinated notes or junior subordinated notes bearing a fixed interest rate and an equity component either in the form of a warrant, equity co-investment or other equity-like securities. Smith Whiley & Company seek to combine current income through cash interest, fees and prepayment penalties with longer term capital gains offered through warrants and other private equity-like structures. This strategy complements the investment partnerships' lower middle market focus (generally, companies with revenues and/or enterprise values of approximately \$20 million to \$250 million).

This strategy is focused on building a diversified portfolio of investments in portfolio companies that are active in six economic sectors: Food & Beverage; Consumer Products & Services; Industrial, Manufacturing & Environmental; Healthcare; Communications & Technology; and Business Services. Generally, Smith Whiley & Company targets investments of approximately \$5 million to \$15 million per company.

The investment partnerships seek to invest in companies with sound business models, profitable niches, and products and services that are proprietary or can demonstrate a significant competitive advantage, all of which Smith Whiley & Company believes support the potential for meaningful growth in enterprise value. Smith Whiley & Company seeks strong, committed and incentivized management teams. Given the diversification objectives and targeted investment size, Smith Whiley & Company anticipates a five year investment cycle. Exit from portfolio companies is anticipated to occur within approximately five years of investment.

Smith Whiley & Company believes that mezzanine securities issued within the lower middle market provide investors with the most attractive blend of operating risk and financial reward. The lower middle market also provides ample investment opportunities based on the "credit gap" that persists in this market segment and the average number of mergers & acquisitions transactions that take place each year. Historically, lower middle market companies have not had access to the variety of credit and equity sources afforded to companies in the upper end of the middle market and the mega-leveraged buyout market. As a result, commercial banks and mezzanine debt investors have been the primary source of debt capital to lower middle market companies. Smith Whiley & Company sources and structures investment opportunities in companies that are *not* sponsored by a private equity firm as well as those companies that are backed by funded and fundless private equity sponsors. This flexibility allows Smith Whiley & Company to generate deal flow that offers the best risk adjusted return profile regardless of whether the transaction involves a private equity firm.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS *(CONTINUED)*

RISK OF LOSS

The following is a summary of material risks related to each significant investment strategy or method of analysis used by Smith Whiley & Company. It is important to note, however, that the summary of material risks below is not meant to be exhaustive or complete. Please refer to the offering documents of the investment partnerships for a more detailed explanation of the material risks related to the significant investment strategies or methods of analysis that Smith Whiley & Company uses to manage client accounts.

Long-term Purchases: The investment partnerships invest in senior debt, subordinated debt, preferred equity, common equity, warrants and other equity-like securities and instruments with the intention of holding these securities for a year or longer. A risk in a long-term purchase strategy is that by holding the security for this length of time, Smith Whiley & Company may not take advantage of short-term gains that could be profitable to an investment partnership. Moreover, a security may decline sharply in value before Smith Whiley & Company makes the decision to sell or liquidate an investment.

Nature of Investment Partnership Investments: The investment partnerships make investments in portfolio companies that have significant risks as a result of business, financial, market or legal uncertainties. There can be no assurance that Smith Whiley & Company will correctly evaluate the nature and magnitude of the various factors that could affect the value of a return on investments. Valuations of investment partnership investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, as well as fluctuations in public and private capital markets may significantly affect the results of its activities and the value of its investments.

An investment strategy such as that of the investment partnerships involves a high degree of business and financial risk that can result in substantial losses. Among these are the following: (i) risks of investing in companies operating with substantial variation in operating results from period to period; (ii) risks of investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position; and (iii) risks of companies that themselves have leveraged capital structures. Portfolio companies of the investment partnerships may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities, superior intellectual property protection, stronger business partnerships and a larger number of qualified managerial and technical personnel.

Dependence on Key Personnel: Decisions with respect to the management of the investment partnerships will be made by Smith Whiley & Company and the General Partner who will have exclusive responsibility for the activities of the investment partnerships. The success of each of the investment partnerships will depend on the skill and ability of Smith Whiley & Company to identify and consummate suitable investments, and to liquidate investments at a profit. Therefore, the investment partnerships' performance is dependent upon Smith Whiley & Company retaining its senior investment personnel. In the event that any of the senior investment personnel leave the Firm, there can be no assurance that Smith Whiley & Company will be able to replace them with individuals of equivalent caliber, experience and firm relationships. The loss of any of the key personnel could have a significant adverse impact on the performance of the investment partnership's ability to realize its investment objectives. There can be no assurance that each of the senior investment professionals will continue to be affiliated with such investment partnership throughout its anticipated term.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (CONTINUED)

RISK OF LOSS (CONTINUED)

Leveraged Investments: The leveraged capital structure of the portfolio companies in which the investment partnerships invest will increase the exposure of the investment partnerships to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. If a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its senior indebtedness, the investment partnerships may suffer a partial or total loss of capital invested in the portfolio company.

If a Portfolio company enters bankruptcy, other lenders may control the method and manner of distribution or exert substantial power with respect to the bankruptcy proceeding. The original lending agreement may also limit the rights of the investment partnerships during bankruptcy for the benefit of more senior lenders.

Subordinated Debt and Equity Investments: The investment partnerships' investments generally will have implied or imputed ratings below investment grade. Such investments generally have greater credit and liquidity risk than is typically associated with investment grade obligations. The investment partnerships also will be subject to fraudulent conveyance, subordination and preference laws.

Nature of Debt Securities: The securities in which the investment partnerships invest, may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In addition, these securities may have limited liquidity and may not be rated by a credit rating agency. As the investment partnerships generally will hold a non-controlling interest in portfolio companies, they may have to rely solely on contractual covenants to protect their positions in such portfolio companies.

The investment partnerships may incur expenses if they are required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. There can be no assurance that a portfolio company will generate sufficient cash necessary to service its debt obligations, and in any such case, the investment partnerships may suffer a partial or total loss of invested capital. The investment partnerships' investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal of an obligation held by the investment partnerships earlier than expected. In addition, depending on fluctuations in the equity markets, warrants and other equity securities may become worthless. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called "lender liability" claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Issues of Collateral: The investments by the investment partnerships, when secured, may be subordinate in lien to more senior creditors and therefore may be subject to greater risks than first priority lenders. Fluctuations in the market, prices or the economy may decrease the value of collateral that secures the secured mezzanine loans. This may expose such loans to the risk of being undercollateralized, as the available collateral may only be sufficient to cover more senior liens. Also, junior lien holders may have less ability to negotiate favorable collateral terms and repayment rights, and may be forced to give up rights or subordinate rights to more senior lenders. There is a risk that junior lien holders like the investment partnerships will receive unfavorable treatment in the case of default with respect to distributions, rights to collateral and the ability to enforce their rights against the collateral, or during bankruptcy.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS *(CONTINUED)*

RISK OF LOSS *(CONTINUED)*

Exercise Of Rights To Equity: As a mezzanine investor, the investment partnerships managed by Smith Whiley & Company are afforded both the protections of debt covenants as well as a board observer or board member position on the board of directors of the applicable portfolio company. Smith Whiley & Company believes that board representation on the board of directors of portfolio companies (and, to a lesser extent, board observation) affords Smith Whiley & Company influence over the business direction as well as realization of the investment. As a non-control investor, however, the investment partnerships managed by Smith Whiley & Company do not typically have, or seek, majority control situations that would allow for the exercise of equity-type rights. As a debt investor, these types of provisions could potentially have the affect of equitably subordinating the corpus of the investment.

Risks Associated with Portfolio Company Investments: Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises is difficult. There is no assurance that investments in the various investment partnerships will be profitable, and there is a risk that the investment partnerships losses and expenses will exceed their income and gains. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by Smith Whiley & Company will be dependent upon the ability of Smith Whiley & Company to obtain relevant information from non-public sources.

The marketability and value of each investment will depend upon many factors beyond Smith Whiley & Company's control. Although a representative of Smith Whiley & Company may be on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with Smith Whiley & Company). Portfolio companies may have substantial variations in operating results from period to period, face intense competition and/or adverse industry conditions, and experience failures or substantial declines in value at any stage.

Portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The public securities markets are extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the investment partnerships to dispose of investments, and the value of investment securities on the date of sale or distribution by the investment partnership. In particular, the receptiveness of the public securities markets to initial public offerings by the investment partnerships' portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company affects a successful public offering, the investment partnerships may be subject to contractual "lock-ups," securities law restrictions or other restrictions that may, for a material period of time, prevent the investment partnerships from disposing of portfolio company securities.

At the time of any investment partnership's investment, a portfolio company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition.

Item 9 DISCIPLINARY INFORMATION

Smith Wiley does not have any legal or disciplinary events to report to you. This statement applies to Smith Wiley and every management person at Smith Wiley & Company.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain management and other personnel of Smith Whiley & Company are separately licensed as registered representatives of Smith Whiley Securities, Inc., an affiliated broker-dealer registered with Financial Industry Regulatory Authority, Inc., if necessary or appropriate to perform their responsibilities. These individuals can solicit potential investors in the investment partnerships and they may receive separate compensation for soliciting such investors. Otherwise, Smith Whiley & Company and its related persons, (Smith Whiley Securities Inc. and the various general partners of the investment partnerships) are not engaged in other financial industry activities and have no other industry affiliations.

Neither Smith Whiley & Company nor any of its management personnel are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Smith Whiley & Company does not sell products or services other than investment advice to clients. Smith Whiley & Company does not have any arrangements to receive additional compensation from other investment advisers nor does it directly or indirectly compensate any such investment adviser for client referrals.

Smith Whiley & Company is solely engaged in organizing, sponsoring and providing investment advice to SW Pelham Fund, L.P., SW Pelham Fund II, L.P., and SW Pelham Fund III, L.P. and will provide such investment advice to SW Pelham Fund IV, L.P. These pooled investment vehicles managed by Smith Whiley & Company are controlled by their respective general partners - Pelham Capital Management, LLC, Pelham Capital Management II, LLC, Pelham Capital Management III, LLC and Pelham Capital Management IV, LLC, respectively. The general partners are responsible for the ultimate decisions regarding transactions of the applicable investment partnerships and have full discretion over the management of the investment partnerships' investment activities. The general partners may be deemed by the SEC to be investment advisers of each respective investment partnership due to, among other things, their common advisory personnel and Smith Whiley & Company subjecting each general partner, its employees and persons acting on its behalf to Smith Whiley & Company's supervision and control. Accordingly, these general partners will look to and are relying on the registration of Smith Whiley & Company and are deemed "relying advisers" in accordance with the American Bar Association Business Law Section SEC No-Action Letter dated January 18, 2012.

There may be occasions when Smith Whiley & Company and its related persons may encounter potential conflicts of interest relating to the investment partnerships. If any matter arises that Smith Whiley & Company determines constitutes a material conflict of interest, Smith Whiley & Company will follow the guidelines and policies for resolving conflicts of interest set forth in the applicable partnership agreement and/or investment advisory agreement of the applicable investment partnership. Smith Whiley & Company believes it has policies and procedures in place that are reasonably designed to identify and resolve actual and potential conflicts of interest. Future activities of Smith Whiley & Company and its related persons may give rise to additional conflicts of interest. In the event that a conflict of interest arises, Smith Whiley & Company will attempt to resolve such conflicts in a fair and equitable manner.

Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Smith Whiley & Company strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Smith Whiley & Company has adopted a Code of Conduct and Ethics, or Code of Ethics. The Code of Ethics includes, among other things, provisions relating to the prohibition on insider trading, and provisions on personal securities trading procedures, trading restrictions, reporting requirements of holdings and transactions, record keeping, restrictions and reporting on gifts and business entertainment

The Code of Ethics sets forth a standard of business conduct and compliance with federal securities laws by all of our employees. The Code of Ethics also reinforces a culture of compliance within Smith Whiley & Company and describes our high standards of business conduct and fiduciary duty to the investment partnerships. All employees are deemed “access persons” under our Code of Ethics and all access persons must comply with and acknowledge compliance with the terms of the Code of Ethics annually. The Code of Ethics contains policies and procedures that ensure that all personal securities trading by employees are conducted in such a manner as to avoid conflicts of interest or any abuse of an individual’s position of trust and responsibility. It is Smith Whiley & Company’s policy not to engage in any principal or agency cross securities transactions for or with the investment partnerships. The Code of Ethics requires, among other things, that employees:

- Act with integrity, honesty, competence, fairness, show good faith, dignity, and in an ethical manner with clients, the public, prospective clients, third party service providers, employers and fellow employees;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations and engaging in other professional activities;
- Adhere to the highest standards with respect to any potential conflicts of interest with the investment partnerships as well as how to handle apparent conflicts of interest;
- Act in the best interests of the investment partnerships we manage and to the extent practicable, avoid or disclose any conflicts of interest that are material to the investment partnerships; and
- Conduct all personal securities transactions in a manner consistent with our Code of Ethics.

In addition, the Code of Ethics prohibits employees from engaging in insider trading. Smith Whiley & Company’s insider trading policies prohibit Smith Whiley & Company and its access persons from trading for the investment partnerships or themselves, or recommending trading, in securities of a company while in possession of material, non-public information about the company, which is referred to as “insider” information, and from disclosing such information to any person not entitled to receive it.

The Code of Ethics also prohibits employees from buying or selling certain securities placed on an internal “restricted” list because Smith Whiley & Company’s has received material non public information related to the issuer of the securities.

Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (CONTINUED)

It also includes reporting requirements of holdings and transactions, record keeping, restrictions and reporting on gifts and business entertainment, among other items. In particular, our policy requires access persons to:

- Pre-clear certain personal securities transactions;
- Report personal securities transactions on at least a quarterly basis; and
- Provide us with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

Smith Whiley & Company may recommend to a general partner the purchase or sale of a security in which Smith Whiley & Company's affiliates directly or indirectly have a position or interest. Any such transaction would be subject to Smith Whiley & Company's conflict of interest guidelines, and would be subject to review and approval by the advisory committee of each investment partnership.

A copy of Smith Whiley & Company's Code of Ethics will be provided to any client or prospective client upon request at the address, email address or telephone number listed on the cover page of this brochure.

Item 12 BROKERAGE PRACTICES

Since the investment partnerships are generally making investments in private portfolio companies, Smith Whiley & Company does not ordinarily deal with any financial intermediary, such as, an unaffiliated broker-dealer, and commissions are not ordinarily payable in connection with such investments.

If Smith Whiley & Company ever has occasion to select brokers and dealers, it will seek best execution for the investment partnerships' securities transactions and the respective general partners will have final approval. Smith Whiley & Company considers the full range and quality of a broker's services, including, without limitation, execution capability, commission rate, financial responsibility and responsiveness when selecting broker-dealers for client transactions and when determining whether a broker's compensation is reasonable. Further, Smith Whiley & Company seeks to obtain best execution for brokerage transactions for its clients and from time to time reviews its trade execution practices to assess the quality of the execution of brokerage transactions. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers. If, in Smith Whiley & Company's judgment, the commission is reasonable in relation to the brokerage services provided, Smith Whiley & Company may recommend that its respective investment partnership pay a brokerage commission in excess of the commission another broker would have received for effecting the same transaction.

Smith Whiley & Company does not direct or execute trades. Smith Whiley & Company also does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Item 13 REVIEW OF ACCOUNTS

Reviews: Investments held by the investment partnerships are reviewed on a continuous basis by our professional investment team. The investment team meets regularly to discuss the investment partnerships' portfolios, investment strategy, economic and other developments, current events, and other issues related to current portfolio investments and potential investment opportunities. All decisions are made by Smith Whiley & Company's Investment Committee, which is chaired by Gwendolyn Smith Iloani. Other senior members of the Investment Committee include Kurt H. Nyman and Venita E. Fields.

Reports: Smith Whiley & Company provides written quarterly and annual reports to the investment partnerships and their respective limited partners in accordance with the terms of each investment partnership's applicable partnership agreement. The quarterly and annual reports include:

- The assets and liabilities of the applicable investment partnership, income or loss for such period, and each limited partner's summary capital account information for such period;
- A summary of recent developments in the business and industry of each portfolio company and the characteristics, metrics and performance of the portfolio company investments;

A summary of the investment activities of the investment partnerships as well as the fees charged to the applicable investment partnership, fees charged to portfolio companies and any related party transactions;
- A description of the cost and Smith Whiley & Company's good faith estimate of the fair market value, as of the end of such quarter or fiscal year, of the portfolio investments;
- Annual tax information regarding the applicable investment partnership; and
- Audited financial statements, in the case of annual reports.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

Smith Whiley & Company's only clients are its affiliated investment partnerships so it does not compensate third parties for client referrals. Limited partnership interests in the investment partnerships are offered by Smith Whiley Securities, Inc., a registered broker-dealer and an affiliate of Smith Whiley & Company and the general partners of the investment partnerships. Notwithstanding the foregoing, Smith Whiley & Company may choose to use an outside placement agent on behalf of the investment partnerships to solicit limited partners to investment in the investment partnerships in the future, and if it decides to do so, the fees of such placement agent may be paid from the applicable investment partnership's assets or Smith Whiley & Company may pay a portion of its management fee. Such fees paid to any affiliates or third parties will be in accordance with applicable law and other applicable obligations of those individuals and entities receiving such fee. As a result of these relationships and arrangements, employees of Smith Whiley & Company may have conflicts associated with their promotion of these investments that create incentives to promote such investment transactions. If Smith Whiley & Company determines that it has, or may be perceived to have a conflict of interest, Smith Whiley & Company will address matters involving such conflict of interest on a case-by-case basis in a fair and equitable manner.

It is Smith Whiley & Company's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our investment partnerships.

If Smith Whiley & Company or its employees receive break-up fees, monitoring fees, or other similar fees relating to investments made by an investment partnership from third parties, then such fees may reduce management fees paid Smith Whiley & Company in such investment partnership pursuant to a formula set forth in the partnership agreement of the applicable investment partnership.

Employees of Smith Whiley & Company who serve on the boards of directors of portfolio companies may receive compensation (in the form of cash, stock options or other equity awards) in their capacity as directors. Such direct and indirect compensation received by an employee of Smith Whiley & Company in his or her capacity as a member of the board of directors of a portfolio company is transferred for the benefit of the applicable investment partnership or applied as a reduction of the investment partnership's management fees.

Item 15 CUSTODY

Smith Whiley & Company advises investment partnerships that invest in securities that are offered to investors on a private placement basis. Since affiliates of Smith Whiley & Company act as general partners to the investment partnerships, Smith Whiley & Company will be deemed to have legal ownership or control over the investment partnerships' funds and securities. Smith Whiley & Company may also be deemed to have custody of client assets for an investment partnership if it has actual possession of client funds or securities or has the ability to withdraw assets from a client's account, including authorization to withdraw management fees from a client's custodial account. Other than the foregoing circumstances, Smith Whiley & Company does not have custody of any client funds or securities.

Smith Whiley & Company maintains all books and records for the privately offered securities held by the investment partnerships at 242 Trumbull Street, Eighth Floor, Hartford, Connecticut 06103. In addition, recordkeeping and fund accounting services are provided by and books and records may be stored at Citi Private Equity Securities at 245 Fifth Avenue, 14th Floor, New York, New York 10016. Any securities issued to the investment partnerships are held in a fireproof lockbox at the offices of Bank of America, N.A., or Bank of America, at 185 Asylum Street, Hartford, Connecticut 06103. Cash or cash equivalents of the investment partnerships are maintained with Bank of America, a qualified custodian. Bank of America delivers at least quarterly statements to the investment partnerships, and the investment partnerships should review these account statements carefully. In addition, each investment partnership is subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each limited partner in the investment partnerships within 120 days of such investment partnership's fiscal year end.

Item 16 INVESTMENT DISCRETION

The partnership agreements of each investment partnership provide that Smith Whiley & Company or an affiliate, such as the general partner of an investment partnership, has exclusive and complete authority and discretion in managing the business and affairs of such investment partnership, subject only to specific and express limitations provided in the applicable partnership agreement and side letters with investors in the partnership. Moreover, each of the investment partnerships has entered into an investment advisory agreement with Smith Whiley & Company that, in each case, appoints Smith Whiley & Company as its investment adviser or its attorney-in-fact with full power and authority to supervise and direct its investments on a fully discretionary basis.

Item 17 VOTING CLIENT SECURITIES

The SEC adopted Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, Smith Whiley & Company has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities in a manner that serves the best interests of the investment partnerships, as determined by Smith Whiley & Company, in its sole discretion.

Notwithstanding the foregoing, the investment partnerships generally do not hold securities of publicly traded companies, and accordingly, Smith Whiley & Company does not anticipate that the investment partnerships will be required to vote proxies. Please note that as a matter of policy, Smith Whiley & Company generally does not vote proxies on behalf of its investment partnerships unless the applicable investment partnership holds an equity interest in a portfolio company, in which case, Smith Whiley & Company would direct the applicable general partner to vote proxies on behalf of the investment partnership.

To the extent the investment partnerships receive proxies or other solicitations, Smith Whiley & Company will consult with its Chief Compliance Officer and outside legal counsel. Smith Whiley & Company will provide relevant proxy solicitation information and materials to the members of Smith Whiley & Company's investment committee for their review and consideration. Smith Whiley & Company will advise the general partners of the investment partnerships to vote based on a number of factors, including, without limitation, the performance, activities and events related to each investment, and the evaluation of other issues that could have an impact on the value of the security. Smith Whiley & Company will review each proposal submitted for a vote on a case-by-case basis and will recommend the applicable general partner vote all proxies in a prudent manner, considering the prevailing circumstances at the time and in a manner consistent with the applicable investment partnership's proxy voting policies and procedures and the general partner's fiduciary duties. The Chief Compliance Officer will comply with Smith Whiley & Company's record-keeping requirements. Smith Whiley & Company will endeavor to provide limited partners of the investment partnerships with information about how the proxies relevant to such investment partnerships are voted.

In the event that Smith Whiley & Company's investment committee favors voting in a manner that is inconsistent with the proxy voting policies and procedures of the investment partnerships, Smith Whiley & Company will disclose the position to the client along with relevant information relating to any conflicts of interest and obtain client consent before voting.

A copy of the proxy voting policies and procedures of Smith Whiley & Company is available to clients upon request. Upon request, Smith Whiley & Company will also disclose to clients how they can obtain information on their proxy votes.

Item 18 FINANCIAL INFORMATION

Smith Wiley & Company does not require or solicit prepayment of more than \$1,200 in fees from any investment partnership six months or more in advance of services rendered. Accordingly, Smith Wiley & Company is not required to include a financial statement with this brochure.

Smith Wiley & Company has not been the subject of a bankruptcy petition at any time during the past ten years.