

# **W Capital Management, LLC**

**(d\b)a W Capital Partners)**

## **Form ADV Part 2**

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**February 13, 2012**

**This brochure provides information about the qualifications and business practices of W Capital Management, LLC (d\b)a W Capital Partners) (“W Capital”). If you have any questions about the contents of this brochure, please contact us at (212) 561-5240. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

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

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT W CAPITAL OR ANY OF THE PRINCIPALS OR EMPLOYEES OF W CAPITAL POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.**

## **Item 2 - Material Changes**

This Brochure, dated as of February 13, 2012, has been prepared in connection with W Capital's registration with the SEC as an investment adviser. In the future, this Item 2 will set forth a brief summary of any material changes to our disclosure since our last annual update.

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#### Item 4: Advisory Business

W Capital Management, LLC, (d/b/a W Capital Partners) (“W Capital”) is a Delaware limited liability company which has been in business since 2001. The principal owners of W Capital are Robert Migliorino, David Wachter and Stephen Wertheimer (the “Principals”).

W Capital and/or its affiliates provide financial, investment and portfolio analysis services as required for the benefit of its “secondary direct” private equity funds (the “W Capital Funds”). W Capital’s primary investment focus is to invest in direct private equity portfolios by acquiring them in the secondary market and directly managing the portfolio investments.

W Capital tailors its advisory services to the specific investment objectives and restrictions of each W Capital Fund pursuant to the investment guidelines and restrictions set forth in each W Capital Fund’s confidential private placement memorandum, limited W Capital Fund agreement and other governing documents (collectively, the “Governing Documents”). Investors and prospective investors of each W Capital Fund should refer to the Governing Documents of the applicable W Capital Fund for complete information on the investment objectives and investment restrictions with respect to such W Capital Fund. There is no assurance that any of the W Capital Funds’ investment objectives will be achieved.

Generally, a related person of W Capital acts as the general partner of each W Capital Fund, and W Capital serves as investment adviser to each W Capital Fund. References to W Capital in this Brochure include, as the context requires, affiliates of W Capital that act in any capacity referenced in the previous sentence.

The W Capital Funds are offered exclusively to accredited investors and/or qualified purchasers pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940 (as amended, the “Company Act”), and are therefore not required to register as investment companies under the Company Act in reliance upon certain exemptions available to private investment funds whose securities are not publicly offered. A related person of W Capital generally acts as general partner of each W Capital Fund, and W Capital is the investment advisor of each W Capital Fund.

In accordance with common industry practice, one or more of the W Capital Funds’ general partners may enter into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

W Capital does not participate in any wrap fee programs.

W Capital manages all assets of the W Capital Funds on a discretionary basis in accordance with the terms and conditions of each W Capital Fund’s Governing

Documents. As of December 31, 2011, the amount of assets W Capital manages on a discretionary basis is **\$1,124,247,283**.

#### Item 5: Fees and Compensation

##### *Compensation and Fee Schedules*

All investors and prospective investors should review the Governing Documents of each W Capital Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to a particular W Capital Fund. Different W Capital Funds and advisory accounts may be subject to different management fees and performance-based compensation arrangements. In certain circumstances, the advisory fees payable to W Capital may be negotiable. Investors and prospective investors in each W Capital Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All W Capital Funds are “qualified purchasers” as defined in Section 2(a)(51) of the Company Act and, therefore, W Capital is not required to include specific fee information in this Brochure relating to the W Capital Funds.

##### *Deduction of Fees; Timing of Payments; Termination*

W Capital is authorized under the Governing Documents to charge and deduct advisory fees directly from the W Capital Funds or borrow funds for such purposes. Payment of advisory fees are generally made quarterly in advance and in accordance with negotiated terms between W Capital and each respective W Capital Fund. Please refer to the Governing Documents of each of the W Capital Funds for complete information on the timing of advisory fee payments.

W Capital's services may be terminated by any of the W Capital Funds at any time by prior written notice to W Capital delivered within a reasonable period of time prior to such termination. Upon termination of any investment advisory agreement relating to a W Capital Fund, any prepaid, unearned fees will be promptly refunded by W Capital (determined on a pro rata basis based on the number of days elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable by the W Capital Fund.

##### *Other Fees and Expenses*

In addition to the advisory fees and performance-based compensation payable to W Capital, each W Capital Fund may incur certain charges imposed by third parties and other expenses as set forth in the Governing Documents of the W Capital Fund. These fees and expenses may include, but are not limited to: Normal operating expenses, Organizational Expenses; the Management Fee; liquidation expenses of the W Capital Fund; any sales or other taxes (except as provided below), fees or government charges which may be assessed against the W Capital Fund; all costs and expenses (including, without limitation, interest on money borrowed by the W Capital Fund (or by the Management Company or the General Partner on behalf of the W Capital Fund),

registration expenses, commissions, finders', brokerage, custodial, banking, qualification, depository and other fees or similar charges) incurred in connection with acquiring, holding or disposing (whether directly or indirectly) of securities (including any merger fees payable to third parties and whether or not any such acquisition or disposition is consummated); expenses of members of the Advisory Board (including travel-related costs and expenses) and expenses of the Advisory Board as approved in accordance with the Governing Documents; the costs and expenses (including travel-related expenses) of hosting annual or special meetings for the Partners of the W Capital Fund, or otherwise holding meetings or conferences with Partners of the W Capital Fund, whether individually or in a group; fees and expenses for specialized consulting services that relate to the evaluation of prospective investments; interest expense for borrowed money (if any); all expenses relating to litigation and threatened litigation involving the W Capital Fund, including indemnification expenses; expenses attributable to normal and extraordinary investment banking, commercial banking, auditing, accounting, appraisal, legal, administration, and other professional services provided to the W Capital Fund, including in each case services with respect to the proposed acquisition or disposition (whether directly or indirectly) of securities by the W Capital Fund (whether or not any such acquisition or disposition is consummated); fees and expenses for the maintenance of the books and records for the W Capital Fund, including expenses incurred in connection with the preparation and distribution of the W Capital Fund's financial statements, tax returns; fees and expenses (including legal, advisory, accounting) incurred in connection with the formation and structuring of any AIV; premiums for liability insurance to protect the W Capital Fund, the General Partner, the partners of the General Partner, the members of the GP LLC, the members of the Advisory Board, and any of their respective partners, members, stockholders, officers, directors, trustees, employees, agents or Affiliates in connection with the activities of the W Capital Fund and premiums to pay "key-man" insurance on the lives of any of the Principals; and all other expenses properly chargeable to the activities of the W Capital Fund.

The section titled "Brokerage Practices" describes the factors W Capital considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

#### *Timing of Payments*

Please refer to the subsection entitled "*Deduction of Fees; Timing of Payments; Termination*" described above.

#### *Sales-Based Compensation*

Neither W Capital nor its supervised persons receive any compensation as broker or placement agent for the sale of securities or other investment products to any W Capital Fund or any investor in a W Capital Fund. Please refer to the subsection titled "*Economic Benefits Received from Third Parties*" below for information on other types of compensation that W Capital may receive from third parties with respect to investments by the W Capital Funds.

## Item 6: Performance-Based Fees and Side-by-Side Management

### *Performance-Based Fees*

All W Capital Funds, except certain co-investment vehicles are subject to performance-based compensation arrangements. A related person of W Capital, as general partner of a W Capital Fund, will typically receive certain allocations calculated and charged based on a share of capital gains on or capital appreciation of the assets of such W Capital Fund.

The performance-based allocation arrangements discussed above comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the “Advisers Act”). Any share of profits paid to the general partners of the W Capital Funds are separate and distinct from the advisory fees charged by W Capital for advisory services.

Performance-based allocation arrangements received by related persons of W Capital may create an incentive for W Capital to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents of each W Capital Fund for complete information on the “performance-based fee” arrangements of each W Capital Fund.

### *Side-by-Side Management*

W Capital may provide concurrent advisory services to W Capital Funds and/or other client accounts with similar investment strategies: (i) where certain of these client accounts are not charged a performance-based fee or allocation by W Capital’s related persons and/or (ii) that are subject to different performance-based fee or allocation arrangements. As a result of such differing performance-base fee or allocation arrangements with respect to client accounts with similar investment strategies, the potential for W Capital’s related persons to receive greater performance-based fees or allocations from certain accounts may create a conflict of interest with respect to the allocation of investment opportunities, as W Capital may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a higher (or any) performance fee or allocation.

To mitigate potential conflicts of interest, the allocation of commitments and investment decisions are made by W Capital with respect to all W Capital Funds in accordance with W Capital’s investment allocation policy, which takes into account multiple criteria, as described under “Trade Aggregation and Investment Allocation” in Item 12 (Brokerage Practices) below. In the event the investment opportunity is suitable for more than one W Capital Fund, W Capital and its affiliates will derive an allocation that, over a period of time, is fair and equitable to each W Capital Fund relative to other W Capital Funds, taking into account all relevant facts and circumstances.

## Item 7: Types of Clients

### *Types of Clients and Investment Vehicles*

W Capital currently provides investment advice to the W Capital Funds, which are pooled investment vehicles. The W Capital Fund investors may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. The W Capital Funds are offered exclusively to accredited investors and/or qualified purchasers pursuant to Section 3(c)(1) or 3(c)(7) of the Company Act and are therefore not required to register as investment companies under the Company Act in reliance upon certain exemptions available to W Capital Funds whose securities are not publicly offered.

W Capital or its related persons may also establish certain W Capital Funds (“Feeder Funds”) to address certain tax or regulatory requirements. Each Feeder Fund, if formed, would be a limited partner of a W Capital Fund and interests in such Feeder Fund would be held by the investors who elect to participate in the W Capital Fund through such Feeder Fund. In addition, W Capital may (i) form other alternative investment vehicles or special purpose vehicles (collectively, “AIVs”) formed for the purpose of facilitating certain investments by one or more W Capital Funds and/or investors and (ii) form other investment vehicles to invest in parallel with a W Capital Fund for select investors in order to comply with securities laws or to address tax, legal or regulatory issues (collectively, “Parallel Funds”) or (iii) form one or more investment vehicles for the purpose of managing co-investments (“Co-Investment Funds”). Investors and prospective investors are requested to refer to the Governing Documents of the applicable W Capital Fund for complete details on any Feeder Fund, Parallel Fund or Co-Investment Fund established to invest in or alongside a W Capital Fund and such W Capital Fund’s ability to make investments through AIVs.

### *Minimum Investment Requirements*

W Capital and its related persons require that each limited partner in each of the W Capital Funds be an “accredited investor” as defined in Regulation D under the Securities Act of 1933. In addition, W Capital and its related persons require that each limited partner in each of the W Capital Funds be a “qualified purchaser” as defined in the Company Act.

In general, the minimum investment commitment required of a limited partner to participate in a W Capital Fund is \$10,000,000; however, the general partner of each W Capital Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each of the W Capital Funds for complete information on advisory fees and minimum investment requirements for participation in a particular W Capital Fund.

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

### *Methods of Analysis*

W Capital primarily targets investments in privately-held operating companies and conducts extensive due diligence prior to making any investment. Investment and portfolio evaluation is based upon company-by-company due diligence and analysis utilizing the following factors: (i) financial health of the company and its ability to access capital markets; (ii) business prospects including products, business model, competitive position, industry growth, and revenue and profit margins and outlook for growth; (iii) strength of management and board of directors; (iv) structural features and right of individual securities; and (v) liquidity options ranging from near term exit opportunities to longer-term alternatives.

W Capital's principal sources of information include: (i) direct due diligence and relationships with underlying portfolio companies including detailed financial analysis of past results and projections; (ii) detailed discussions with investors, executives and board members concurrent with management discussions; (iii) discussions with key individuals of the selling entity; (iv) private offering memoranda, quarterly and annual reports.

As described above, W Capital's primary investment strategy is to make portfolio and individual investments composed principally of equity and equity-related securities in private companies primarily by acquiring such investments from independent investment firms, financial institutions and corporations in secondary transactions. W Capital seeks to manage such investments with a view to achieving significant medium to long-term capital appreciation. Investors are requested to refer to the Governing Documents for each of the W Capital Funds for complete information on investment strategies employed with respect to a particular W Capital Fund.

The task of identifying secondary direct investment opportunities and managing private equity investments is highly specialized. There can be no assurance that a W Capital Fund will be able to make and/or realize any particular investment or that the W Capital Funds will be able to generate returns for their investors. The marketability and value of any such investments will depend upon many factors beyond the control of the W Capital Funds. In addition, there can be no assurance that any investor will receive any distribution from a W Capital Fund. Investing in the W Capital Funds involves a risk of loss that investors should be prepared to bear. Investors in the W Capital Funds should carefully consider, among other factors, the following material risks involved with W Capital's investment strategies. Investors in the W Capital Funds are requested to refer to the Governing Documents of the applicable W Capital Fund for complete information on investment strategies employed by the W Capital Fund and the corresponding risks associated with such investment strategies.

### New Market; Potential Competitors

To date, the secondary direct market for purchasing portfolios of private equity securities from corporations, financial institutions and private equity firms has been limited. A W

Capital Fund may not be able to find a suitable number of investment opportunities or be able to purchase portfolios on favorable terms. The private equity industry is highly competitive. While W Capital believes it is a pioneer in the industry and has a first mover advantage, there are limited barriers to entry for competing investors and new market entrants may compete with a W Capital Fund for investment opportunities. This may limit investment opportunities and potentially drive up prices. A W Capital Fund will likely be competing with other prospective purchasers, some of whom may have substantially greater resources, to acquire securities. For these reasons, it is possible that the W Capital Fund's investment period will expire before the W Capital Fund has invested all of its available capital.

#### Extensive Pre-Acquisition Due Diligence Required; Rights of First Refusal

W Capital may conduct extensive due diligence on prospective portfolio companies without any assurance that the W Capital Fund will be successful in purchasing them. Securities of private companies typically include limitations on transfers and are often subject to rights of first refusal. There is no assurance that the outstanding interests in the companies that W Capital deems to be the most promising can be transferred to the W Capital Fund or can be transferred without triggering a right of first refusal on the part of the existing shareholders of the underlying portfolio company and the W Capital Fund may be precluded from buying the desired amount of such interests. In addition, the type and scope of due diligence performed may be limited by restrictions imposed by the individual portfolio companies and therefore W Capital may be forced to make an investment decision based on limited information. The W Capital Fund may be hindered in executing its investment strategy due to exercise of rights of first refusal or limitations imposed on the due diligence process.

#### Packaged Investments

In many cases, a W Capital Fund may expect to be presented with investment opportunities on a portfolio or an "all or nothing" basis. Certain of the portfolio companies in a prospective portfolio may be less attractive than others. In such cases, it may not be possible for the W Capital Fund to exclude from such purchases those investments which W Capital considers (for commercial, tax, legal or other reasons) less attractive. For these reasons, W Capital will be constrained in its ability to narrow a W Capital Fund's investment focus to meet the tailored tax, regulatory and investment policy restrictions of particular investors and may acquire securities that W Capital otherwise believes are not attractive.

#### Risk of Private Equity Investments

There is no assurance that the portfolio companies of a W Capital Fund will be successful, or that W Capital will be able to sell or distribute the portfolio company securities at a profit. A limited market exists for the sale of a W Capital Fund's proposed investments in portfolio companies and the transferability of such investments is generally restricted. The marketability and value of any such investments will depend

upon many factors beyond the control of W Capital. Many of these companies may need substantial additional capital to support growth, or to achieve or maintain a competitive position, and will have substantial variation in operating results from period to period. These portfolio companies can experience failures or substantial declines in value at any stage and may face intense competition. Generally, the investments made by the W Capital Fund will be illiquid and difficult to value, and there may be little or no collateral to protect an investment once made. Expenses of the W Capital Fund may exceed its income, and an investor in a W Capital Fund could lose the entire amount of its contributed capital.

#### Long-Term Investment

In most cases, investments in the portfolio company securities acquired by a W Capital Fund will be long-term in nature and may require many years from the date the W Capital Fund acquires them before disposition. There are no redemption features in any of the W Capital Funds and Investors in a W Capital Fund will not be able to expect any distributions from the W Capital Fund on a regular set interval (i.e. quarterly or annually) and perhaps not until the liquidation of the W Capital Fund, if at all.

#### Changes in Environment

Each W Capital Fund's investment program is intended to extend over a period of typically ten years with provisions for extensions, during which the business, economic, political, regulatory, and technology environment within which the W Capital Fund operates may undergo substantial changes, some of which may be adverse to the W Capital Fund. W Capital and its affiliates will have the right and authority (within limitations set forth in the applicable W Capital Fund's Governing Documents) to determine the manner in which the W Capital Fund shall respond to such changes, and investors in the W Capital Fund generally will have limited rights/abilities to withdraw from the W Capital Fund or to demand specific modifications to the W Capital Fund's operations. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised by the Principals in the past may not be successful, or even practicable, throughout a W Capital Fund's term. Within the limitations set forth in the applicable W Capital Fund's Governing Documents, W Capital and its affiliates will have the right and authority to determine the W Capital Fund's investment sourcing, selection, management and liquidation strategies and procedures.

#### Reliance on Key Personnel

Each W Capital Fund will be dependent upon the efforts, experience, contacts and skills of W Capital's investment team. The loss of any member of the investment team could have a material, adverse effect on a W Capital Fund, and such loss could occur at any time due to death, disability, resignation or other reasons. Investors in a W Capital Fund will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by W Capital or its affiliates in making

decisions. Except as specifically provided in the applicable W Capital Fund's Governing Documents, W Capital and its affiliates will have the exclusive right and power to manage the W Capital Fund's business and affairs.

#### Management of Growth

Each W Capital Fund's investment strategy involves the deployment of capital across a broad range of private equity investments. The investment strategy requires considerable asset management resources in the oversight of the portfolio companies. Such activities include participation at the board of director level, monitoring progress, evaluating follow-on investment requirements and considering strategic issues. In addition, the accounting and management of the investment portfolio securities is complex and requires significant resources and attention. In order to successfully manage a W Capital Fund's investments, W Capital will need to dedicate significant professional resources and continue to expand the capacity of its proprietary asset management database (as described in further detail in the applicable fund's Governing Documents). As it grows and competes with other investment management firms for resources, W Capital may not be able to find or employ suitable additional professionals or satisfactorily expand the capabilities of its infrastructure.

#### Minority Investments

A W Capital Fund principally makes minority equity investments in entities where the W Capital Fund does not participate in the management or otherwise control or influence the business or affairs of such entities. In such cases, a W Capital Fund will need to rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors whose interests may conflict with the interests of the W Capital Fund.

#### Item 9: Disciplinary Information

W Capital and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

#### Item 10: Other Financial Industry Activities and Affiliations

##### *Registered Broker-Dealers*

None of W Capital or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, W Capital and its management persons are not affiliated with any broker-dealer.

##### *Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors*

None of W Capital or any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### *Relationships with Related Persons*

As discussed in the section titled “*Participation or Interest in Client Transactions; Personal Trading*,” W Capital and its related persons are, directly or indirectly, the general partner, limited partners and/or managing members/general partners of the general partner of each of the W Capital Funds. W Capital and its related persons may spend substantially all of their business time on one or more of the W Capital Funds as required pursuant to the terms of the applicable W Capital Fund’s Governing Documents. Investors are requested to refer to the Governing Documents of the applicable W Capital Fund for more complete information on the requisite time commitments of W Capital and its related persons to the W Capital Funds. Please also refer to the description of W Capital’s investment allocation policy described in the subsection “*Side-by-Side Management*” above.

Certain of W Capital’s principals serve as officers, directors, advisors of, or hold comparable management functions with, portfolio companies in which the W Capital Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, such principals may be given access to confidential information relating to companies in which the W Capital Funds invest or may otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the W Capital Funds. As a result, the W Capital Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on the W Capital Funds.

The above individuals may spend a substantial portion of their time with these related management activities.

From time to time, certain W Capital Funds may hold or may acquire positions in portfolio companies in which other W Capital Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a W Capital Fund and one or more other W Capital Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The W Capital Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple W Capital Funds hold an interest in the same company, disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such W Capital Funds on a basis that is fair and equitable to each W Capital Fund as determined by W Capital taking into account all relevant facts and circumstances.

### *Selection or Recommendation of Other Advisers*

W Capital does not recommend or select other investment advisers for the W Capital Funds and does not have other business relationships with other advisers that create a material conflict of interest.

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

### *Code of Ethics*

W Capital has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing W Capital's commitment to ethical conduct. W Capital's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth W Capital's (i) policies on receipt of gifts by employees and campaign contributions and (ii) practice of monitoring the personal securities transactions of supervised persons with access to investment recommendations. Under W Capital's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the W Capital Funds and all potential conflicts and violations of the Code of Ethics must be promptly reported to W Capital's Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of W Capital that no person employed by W Capital shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, W Capital requires that all personnel provide annual securities holdings reports and direct or cause all applicable broker(s) to send a copy of all transaction confirmations and account statements to the firm's CCO. W Capital requires personnel to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by W Capital's personnel, the CCO will maintain and make available a list of restricted securities. The restricted securities list will be updated periodically and will include existing Portfolio Companies of the Fund and any company where W Capital has Material Non-Public Information. W Capital personnel are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

W Capital requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. W Capital's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

W Capital will provide a complete copy of its Code of Ethics to any investor or prospective investor upon request.

### *Participation or Interest in Client Transactions; Personal Trading*

As general partners, limited partners or managing members of the general partners of each of the W Capital Funds, W Capital and its related persons have indirect beneficial interests in the securities owned by the W Capital Funds and will share in any profits and losses generated by the W Capital Funds' investments. Moreover, in certain situations,

related persons of W Capital may purchase interests in the same portfolio companies held by one or more W Capital Funds. All such transactions are subject to compliance with W Capital's Code of Ethics as described above and the Governing Documents of the applicable W Capital Funds. Before W Capital makes a recommendation that a W Capital Fund buy or sell a security, all related persons that have ownership of such security at the time of such recommendation are required to affirmatively disclose such interest to W Capital and will not be permitted to participate in the discussions or authorizations to recommend that a W Capital Fund buy or sell such security. A related person shall not be so restricted if such person's only interest in a security is held indirectly through one of the general partner entities or the W Capital Funds.

Moreover, from time to time, W Capital may cause a W Capital Fund to engage in "cross trades" via the purchase of a portfolio investment from or sale of a portfolio investment to another W Capital Fund, provided that the sale or purchase is consistent with W Capital's fiduciary obligations to each W Capital Fund.

While W Capital endeavors at all times to act in the best interests of the W Capital Funds, investors should be aware that W Capital's receipt of compensation from the W Capital Funds creates a potential conflict of interest with respect to such transactions.

#### Item 12: Brokerage Practices

Although W Capital typically does not utilize broker-dealers to effect portfolio investments, the W Capital Funds may receive shares of certain public company shares as part of an investment exit. W Capital may sell the securities received in share distributions such that the proceeds can then be distributed to the W Capital Funds' investors. Subject to the investment objectives, policies and restrictions of each W Capital Fund, as set forth in such W Capital Fund's Governing Documents, W Capital will generally have discretionary authority to select the broker or dealer to be used to execute transactions on behalf of the W Capital Funds and negotiate the commission cost to be paid.

In selecting brokers, W Capital's primary consideration will be to obtain the most favorable net result for the W Capital Funds under the circumstances, which may not involve the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, W Capital seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, trading experience, research services (such as reports and analyses of markets, industries, companies and economic trends) and such other factors as W Capital considers relevant and beneficial to the W Capital Funds. 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.

### *Research and Soft Dollar Benefits*

W Capital does not engage in soft dollar arrangements with respect to securities transactions for the W Capital Funds.

### *Brokerage for Client Referrals*

W Capital does not consider referral of investors in determining its selection of broker-dealers or other third party service providers.

### *Directed Brokerage*

W Capital has discretionary authority to select the brokers or dealers in connection with securities transactions of the W Capital Funds, and investors are not permitted to direct W Capital to use a particular broker or dealer to execute portfolio transactions on behalf of a W Capital Fund.

### *Trade Aggregation and Investment Allocation*

W Capital has established allocation and aggregation procedures for the allocation of portfolio investment transactions among the W Capital Funds. Although W Capital does not often trade in public securities, in such circumstances where more than one W Capital Fund is either selling or buying the same type of security, W Capital will, to the extent possible, generally place a combined order for two or more W Capital Funds it manages engaged in the sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution and otherwise in the best interest of the W Capital Affiliated Funds.

W Capital's allocation procedures are designed to ensure that each W Capital Fund is treated fairly and that transactions are allocated in a manner that is fair and equitable to each W Capital Fund relative to the other W Capital Funds, taking into account all relevant facts and circumstances. W Capital will always take into account each W Capital Fund's investment objectives in the allocation process. The allocation of commitments and investment decisions are made by W Capital with respect to all W Capital Funds in accordance with W Capital's investment allocation policy, which takes into account multiple criteria, including, without limitation: specific W Capital Fund objectives, W Capital Fund size and capital available for investment, W Capital Fund diversification needs and anticipated reserves for follow-on investments, the size of the investment opportunity, and current and anticipated market conditions. In the event the investment opportunity is suitable for more than one W Capital Fund, W Capital and its affiliates will derive an allocation that, over a period of time, is fair and equitable to each W Capital Fund relative to other W Capital Funds, taking into account all relevant facts and circumstances.

### Item 13: Review of Accounts

#### *Review of Client Accounts*

W Capital will continuously monitor portfolio investments on behalf of the W Capital Funds. Investments are reviewed in the context of each W Capital Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each W Capital Fund. Members of W Capital's investment team meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the W Capital Funds.

#### *Reports to Clients*

The general partners of each W Capital Fund distribute written reports to their respective fund investors quarterly and annually. Annual reports generally contain an individual capital account statement as of the end of such fiscal year and the audited financial statements of the W Capital Fund. The quarterly reports contain unaudited financial statements of the W Capital Fund for the fiscal quarter.

Investors are requested to refer to the Governing Documents of the applicable W Capital Fund for further information on the reports provided by a particular W Capital Fund to its investors.

### Item 14: Client Referrals and Other Compensation

#### *Economic Benefits Received from Third Parties*

In connection with investments made by certain of the W Capital Funds, W Capital or its related persons may receive director's fees, consulting fees, commitment fees, monitoring fees, investment banking, transaction or break-up fees or other remuneration (including, without limitation, proceeds from the disposition of any options, warrants or other equity securities) from or with respect to portfolio investments in which one or more of the W Capital Funds may invest or propose to invest. The potential for W Capital and its related persons to receive such economic benefits creates a conflict of interest as W Capital and its related persons may have an economic incentive to invest in portfolio investments that provide such benefits. To alleviate potential conflicts, in accordance with the Governing Documents of the applicable W Capital Fund, a percentage of any such benefits received by W Capital or its related persons in connection with its advisory services for such W Capital Fund will be used first to offset any transaction expenses that are not normal operating expenses of the W Capital Fund. Any remaining amount will be used to reduce advisory fees payable by such W Capital Fund. Investors are requested to refer to the Governing Documents of each of the W Capital Funds for complete information on the additional compensation received by W Capital or its affiliates in connection with such W Capital Fund's investments.

### *Third Party Compensation for Client Referrals*

W Capital and related persons of W Capital may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a W Capital Fund. In accordance with the terms of the relevant W Capital Fund's Governing Documents, any sales charge associated therewith will ultimately be payable by W Capital and/or its related persons, either directly or through an offset of the management fee payable by the relevant W Capital Fund to W Capital. An investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

W Capital endeavors at all times to put the interests of the W Capital Funds first as part of W Capital's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to W Capital and the W Capital Funds.

### Item 15: Custody

W Capital will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, W Capital will generally be deemed to have custody of the assets of the W Capital Funds as a result of its position as an affiliate of the general partner of each W Capital Fund.

It is W Capital's policy to cause each W Capital Fund with assets over which W Capital is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 90 days (and, in no event, later than 120 days) after the end of each fiscal year. In addition, upon the final liquidation of any such W Capital Fund, W Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such W Capital Fund to all investors promptly after completion of the audit.

### Item 16: Investment Discretion

Subject to the investment objectives, policies and restrictions of each W Capital Fund as set forth in the Governing Documents of such W Capital Fund, W Capital has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each W Capital Fund, including the selection of, and commissions paid to, broker-dealers. W Capital is provided with this authority pursuant to a limited power of attorney granted via the Governing Documents of the applicable W Capital Fund.

### Item 17: Voting Client Securities

Because W Capital has, or will accept, authority to vote securities held by a W Capital Fund, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that have been designed to ensure that W Capital complies with the

requirements of the Advisers Act, and reflect W Capital's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the W Capital Funds.

When exercising its voting authority over client securities, W Capital considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. W Capital votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and in a manner consistent with the Proxy Voting Policies and Procedures and W Capital's fiduciary duties to the W Capital Funds.

W Capital reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable W Capital Fund. As a result, depending on the W Capital Fund's particular circumstances, W Capital may vote one W Capital Fund's securities differently than it votes those of another W Capital Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, W Capital may determine that it is in the W Capital Fund's best interest for W Capital to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, W Capital, in consultation with the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of W Capital, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, W Capital takes steps to ensure that its voting decision is based on the best interests of the applicable W Capital Funds and is not a product of the conflict. W Capital may, at its discretion, (A) seek the advice of the applicable advisory board in voting such security (if any); (B) disclose the conflict of interest to the investors of the W Capital Fund and defer to the W Capital Fund's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take such other action in good faith (in consultation with W Capital's outside counsel) which would serve the best interest of the W Capital Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

W Capital will deliver to each investor of a W Capital Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable W Capital Fund.

#### Item 18: Financial Information

W Capital 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.