



# JENWOOD

INVESTMENT MANAGEMENT, INC.

2650 BISCAYNE BLVD

2<sup>ND</sup> FLOOR

MIAMI, FL 33137

(630) 234-4752

[www.jenwoodglobal.com](http://www.jenwoodglobal.com)

December 13, 2013

This brochure provides information about Jenwood Investment Management's qualifications and business practices. If you have any questions about the contents of this brochure, please contact Tom Fawell at (630) 234-4752. This information has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

Jenwood Investment Management, Inc., is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser should provide you with information to assist you in hiring or retaining an adviser. Additional information about the adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for this Adviser is 169790.

## Material Changes

Form ADV Part 2A, Item 2

This is an initial Form ADV Part 2A for Jenwood Investment Management, Inc (“Jenwood”).

After the initial filing of this Brochure, this Item will be used to provide Jenwood’s clients and investors with a summary of new and/or updated information from its last annual updating amendment. Jenwood will inform clients and investors of the revision(s) based on the nature of the updated information.

Consistent with the new rules, Jenwood will ensure that its clients and investors receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the business’ fiscal year.

**Table of Contents**  
Form ADV Part 2A, Item 3

<i>Material Changes.....</i>	<i>2</i>
<i>Fees and Compensation .....</i>	<i>6</i>
<i>Performance-Based Fees and Side-By-Side Management.....</i>	<i>9</i>
<i>Types of Clients.....</i>	<i>11</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss .....</i>	<i>12</i>
<i>Disciplinary Information .....</i>	<i>15</i>
<i>Other Financial Industry Activities and Affiliations.....</i>	<i>16</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</i>	<i>17</i>
<i>Brokerage Practices.....</i>	<i>18</i>
<i>Review of Accounts .....</i>	<i>22</i>
<i>Client Referrals and Other Compensation.....</i>	<i>23</i>
<i>Custody.....</i>	<i>24</i>
<i>Investment Discretion .....</i>	<i>25</i>
<i>Voting Client Securities.....</i>	<i>26</i>
<i>Financial Information.....</i>	<i>28</i>

## Advisory Business

Form ADV Part 2A, Item 4

### Overview of the Firm

Jenwood Investment Management, Inc., (“Jenwood” or the “Firm”) was founded in Miami, Florida in 2013 and is owned (indirectly) by Thomas Fawell, through Jenwood Holdings, LLC, a holding company.

### Advisory Services

Jenwood is an independent investment manager focused on value investing for separately managed accounts as well as pooled vehicles. It is anticipated that Jenwood will manage two different pooled vehicles referred to as the (1) “Special Events Fund”, and (2) “ETF Fund”. (The funds may hereinafter be referred to individually as a “Fund” or collectively as the “Funds”).

#### A. Pooled Vehicles

- *Jenwood SE Fund I, LP (the “Special Events Fund”)*

The Special Events Fund is a Delaware Limited Partnership with Jenwood Special Events GP, LLC as its General Partner. The General Partner and Jenwood share common ownership. The Special Events Fund identifies special situations where securities are mispriced either because they are underfollowed, unappreciated, in transition, or otherwise misunderstood. In seeking out such special events, Jenwood places particular emphasis upon newly issued equity and equity linked securities. While many institutional investors focus on macro dynamics and allocations, Jenwood adopts a very different philosophy. Specifically, while the Fund will certainly place a premium upon securing good allocations, even greater importance is placed on fundamental research, triangulating feedback, data assessment, issue-specific intelligence and in the employment of the Fund’s significant industry experience and relationships.

- *Jenwood ETF Fund I, LP (the “ETF Fund”).*

The ETF Fund is a Delaware Limited Partnership with Jenwood ETF Fund GP, LLC as its General Partner. The General Partner and Jenwood share common ownership. The ETF Fund strategy is built upon a core strategy of controlling market exposure, or “beta”, while shorting levered ETFs and/or replicating strategies which mirror shorting leveraged ETFs. Alpha is generated by volatility in the market and in so doing provides a diversified strategy. Jenwood’s strategy is based on the assumption that leveraged ETFs decay over

time, and anticipates that, over time, the market will revert back to a long run average return.

**B. Tailored Advisory Services**

Jenwood may provide advisory services to high net worth individuals, trusts, estates and charitable foundations on a separate managed account (“SMA”) basis. In that service, Jenwood will, with the investor’s input, create an investment policy and invest accordingly. Jenwood will adhere to any reasonable restrictions placed on a separately managed account by the client.

**C. Wrap Fee**

Jenwood does not participate in wrap fee programs.

**D. Minimum Amounts**

Jenwood provides investment advisory services for SMA management with a minimum investment of \$5 million, and for an investment in one of its funds with a \$1 million minimum. These minimums are at the firm’s sole discretion.

## Fees and Compensation

### A. The Funds

1. Fees for Advisory Services. Jenwood advisory fees are billed quarterly in advance at the commencement of each quarter for the ETF Fund and Special Events Fund, pursuant to the terms of the investment advisory agreement with the Funds. Investment advisory fees are based on the market value of assets under management as of the last day of the preceding quarter. Investment advisory fees are charged at an annual rate of 0.50% of assets under management to the Jenwood ETF Fund, and at the annual rate of 2.0% of asset under management in the Jenwood Special Events Fund.

Investment advisory fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. All securities held in accounts managed by Jenwood will be independently valued by the Custodian. Jenwood will not have the authority or responsibility to value portfolio securities. Fees may be negotiated at the discretion of Jenwood and evidence by a respective side letter.

2. Other Fees and Expenses. In addition to the advisory fees, Jenwood's Funds bear certain expenses. As detailed more fully in the respective investor Subscription Agreements, the Funds are responsible for accounting, legal, investment banking, advisory board, taxes, consulting, insurance, banking, extraordinary and other similar fees and expenses, but **not** Jenwood expenses incurred in connection with its operations and affairs in the ordinary course of its business (e.g., employee compensation and benefits, rent, utilities, business development, etc.).

3. Transaction Costs. The Funds may incur certain charges imposed by third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund such as fund management fees and other fund expenses, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Jenwood's advisory fee.

4. Termination. Jenwood is compensated for its services in the ETF Fund and Special Events Fund at the commencement of the quarter in which investment advisory services are rendered. For those two named funds, investors may request to terminate their investment, in whole or in part, by providing advance written notice of

redemption to Jenwood. The investor shall be responsible for the investment advisory fees up to and including the effective date of redemption and any prepaid fees will be refunded on a prorata basis. The investor's subscription agreement with the fund and the Funds' Investment Advisory Agreements with Jenwood are nontransferable without the investor or Funds' written approval.

5. Compensation for the Sale of Securities. Jenwood does not buy or sell securities and neither Jenwood nor any Jenwood affiliated person receive any compensation for securities transactions in any Client account, other than the investment advisory fees as noted above.

## B. Separately Managed Accounts ("SMAs")

### 1. Fees

Jenwood charges an annualized management fee based upon the value of a client's assets under management. Jenwood's annual fee shall be prorated and charged quarterly, in advance, based upon the value of the assets as of the last day of the preceding quarter. The annual fee shall vary between one half of one percent (0.5%) and two percent (2.0%) depending upon the market value of the assets under management and the type of investment management services to be rendered. Jenwood, in its sole discretion, may negotiate to charge a lesser management fee or no management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing investor, account retention, *pro bono* activities, etc.).

Jenwood's Investment Advisory Agreement with the Client (the "Agreement") authorizes Jenwood through the Custodian to debit the client's account for the amount of Jenwood's fee and to directly remit that management fee to Jenwood in accordance with applicable custody rules. The Custodians recommended by Jenwood have agreed to send a statement to the investor, at least quarterly, indicating all amounts disbursed from the account including the amount of management of fees paid directly to Jenwood.

### 2. Transaction Costs

Clients may incur certain charges imposed by third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund such as fund management fees and other fund expenses, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Jenwood's fee. However, Jenwood shall not receive any portion of these commissions, fees, and costs.

### 3. Termination

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between Jenwood and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Jenwood's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

4. Compensation for the Sale of Securities. Jenwood does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees as noted above.



## Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

ETF Fund and Special Events Fund. Within the ETF and Special Events Funds, Jenwood is entitled to an annual-calculation performance-based profits allocation (the “**Performance Allocation**”) at the end of each fiscal quarter, equal to fixed percentage of the Fund’s annualized net profits attributable to each investor for such fiscal quarter, but only to the extent that such profits exceed any losses carried forward from prior quarters, based on a “high water mark” formula. The Performance Allocation is set at 15% of the profits for the ETF Fund and 20% of the profits for the Special Events Fund. The net profits of the Funds are calculated net of the Management Fee, but before the Performance Allocation. In applying the “high-water mark” limitation, after the first quarter in which a Performance Allocation is charged, the Performance Allocation for a subsequent quarter will only be charged to the extent that an investor’s pro-rata share of net profits measured on a cumulative basis, net of any losses, for all fiscal quarters since admission provides cumulative net profits achieved through the close of any prior fiscal year since admission. If an investor makes a withdrawal at a time when its capital account balance is below its historic “high-water mark” level, the level is ratably reduced to reflect such withdrawal.

The Performance Allocation will generally be calculated and charged to each investor as of the end of each quarter. The Performance Allocation is also calculated and debited (i) with respect to any investor permitted or required to withdraw or transfer such investor’s interest and (ii) with respect to an investor making a partial withdrawal or transfer of such interest as of any time other than the close of a fiscal year on the basis of net profits allocated to such investor through the withdrawal or transfer date (but only with respect to the amount withdrawn or transferred on a pro rata basis in the event of a partial withdraw or transfer).

The Performance Allocation with respect to any investor may be reduced or waived by Jenwood in its sole discretion.

### Side by Side Management

Jenwood manages accounts that are charged a performance-based fee and other accounts that are charged an asset-based fee with no performance fee. Jenwood and its advisory personnel who have ownership in Jenwood or its parent holding company face a potential conflict of interest in managing accounts that are charged a performance-based fee and

accounts that are not charged a performance fee at the same time, including the possible incentive to favor accounts which pay a performance-based fee. As a manager for the Funds and SMAs, Jenwood's policy is to treat all clients equitably over time and avoid conflicts of interest.

## Types of Clients

Form ADV Part 2A, Item 7

Jenwood provides investment management services to:

- Pooled Investment Vehicles
- High net worth individuals
- Trusts, estates and other charitable institutions

The minimum account size is \$5 million for an SMA and \$1 million for an investment in either the Special Events Fund or ETF Fund. These minimums are at the adviser's sole discretion. .

## Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

ETF Fund: Jenwood has established three objectives for the ETF Fund being (i) liquidity, (ii) low correlation to the market, and (iii) transparency. These objectives are built upon a core strategy of controlling market exposure, or “delta”, while shorting levered ETFs and/or replicating strategies which mirror shorting leveraged ETFs. Alpha is generated by volatility in the market and in so doing provides a diversified strategy. In particular, the Fund’s strategy is predicated upon uncontroverted empirical data that leveraged ETFs decay over time, and is further grounded in empirical “mean-reversion”. This latter concept anticipates that, over time, the market will revert back to a long run average return. While this road to “mean reversion” will sustain periods of euphoria and gloom, such events constitute opportunities to sell and buy the market.

Special Events Fund: Similar to the ETF Fund, the Special Events Fund has three objectives being (i) liquidity, (ii) low correlation to the market, and (iii) transparency. Jenwood believes that its investments must be analyzed relative to anomalies between market values and fundamental values. Jenwood considers systemic risk relative to stock-specific risk hedges against and profits from this risk while pursuing investment themes that have attractive risk-reward profiles. In attacking these market anomalies, Jenwood establishes the identification of special situations where securities are mispriced either because they are underfollowed, unappreciated, in transition, or otherwise misunderstood. In seeking out such special events, the Special Events Fund places particular emphasis upon newly issued equity and equity linked securities. While many institutional investors focus on macro dynamics and allocations, the Fund adopts a very different philosophy. Specifically, while the Fund places an obvious premium upon securing good allocations, even greater importance is placed on fundamental research, triangulating feedback, data assessment, issue-specific intelligence and in the employment of the Fund’s significant industry experience and relationships.

Generally: Jenwood may opportunistically implement whichever strategies or discretionary approaches it believes from time to time may be suitable for prevailing market conditions. While the Fund will invest primarily in listed equities and equity derivatives, the Fund may also invest in other financial instruments, including debt and currencies. Jenwood may seek to find investments and themes that have a relatively longer half- life than most short-term market events. However, Jenwood may engage in short-term trading to hedge the portfolio and take advantage of volatility opportunities as they arise.

## ***Risks of Loss***

### **A. The Funds**

An investment in any of the Funds involves a significant degree of risk since there can be no assurance that an investor will receive a return of any part of its investment or receive a return on its investment. The risks to be considered include, but are not limited to:

- Investment in the Funds requires a long-term commitment, with no certainty of return. While there is potential for a substantial rate of return, there is also the potential that losses will be incurred, including a complete loss of capital. The Funds' ability to earn profits from their respective investments is uncertain, and no assurances can be given about the expected profitability of the Funds or when such profits, if any, may be realized. An investment in the Funds is suitable only for investors able to sustain a complete loss of their investment.
- Any investment in the Funds should be viewed as illiquid. The investors' interests are not transferable except with the authorization of the General Partner and voluntary withdrawals of investor interests.
- In order to reduce the risk of poor investments adversely impacting the overall profits of the Funds, Jenwood seeks to diversify the investments within any particular fund. There is no guarantee that Jenwood will be able to diversify the investments, and even if such diversification is achieved, diversification cannot guarantee the profitability of the Funds.
- A Fund's expenses (including the quarterly Management Fee) may exceed a Fund's cash flow, thereby requiring that the difference be made up out of investor's capital.

### **B. SMA**

Although Jenwood's investment strategy does not involve frequent trading, leverage, or short selling, there still exist material risks with our investment strategy. With fixed income investing the two principal factors of risk are maturity and default risk. Jenwood will attempt to manage this risk by performing due diligence and close monitoring.

Investing in equities presents risk of loss and we attempt to manage this risk with due diligence, global asset allocation and rebalancing.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients and Fund investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to

fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Disciplinary Information**

Form ADV Part 2A, Item 9

Jenwood is required to disclose any disciplinary event that would be material to a client's or investor's or prospective investor's evaluation of Jenwood's services. Jenwood does not have any legal, financial or disciplinary events to disclose

## Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Jenwood is affiliated through common control with:

- Jenwood Special Event GP, LLC, a Florida limited liability company, which serves as the general partner to Jenwood's Special Events Fund;
- Jenwood ETF GP, LLC, a Florida limited liability company, which serves as the general partner to Jenwood's ETF Fund;
- Jenwood Global Ventures, LLC, a Florida limited liability company (Jenwood Venture Partners) is wholly-owned by Jenwood Holdings, LLC, the parent to Jenwood. Jenwood Venture Partners is primarily focused upon real estate development investments that are supported by low capital costs secured through a US Federal program known as the "Employment-Based Immigration: Fifth Preference", as defined in 8 USC Chapter 12, Subchapter II and related rules and regulations (hereinafter "EB5"). Each real estate investment will operate within a separate subsidiary structure (a "Special Purpose Vehicle") in accordance with EB5 requirements. If Jenwood Global Venture Partners holds cash from the investments in the referenced Special Purpose Vehicles, it will invest in the Special Events Fund or the ETF Fund for cash management purposes only; and.
- Thomas Fawell, Esquire, a law firm wholly-owned and operated by Thomas Fawell, a principal in Jenwood.

There is no material conflict of interest with these entities because Jenwood receives no benefit or compensation from its affiliates that is not contrary to investor or Client interests.



## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Form ADV Part 2A, Item 11

Jenwood has adopted a Code of Ethics which sets forth high ethical standards of business conduct that to requires of its employees, including compliance with applicable federal securities laws. Jenwood and its personnel owe a duty of loyalty, fairness and good faith to our clients and investors, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

The Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, Jenwood's Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering, the confidentiality of client/investor information, and policy towards gifts. Jenwood's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While Jenwood does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of Jenwood's Code of Ethics is available to any client or prospective client upon request.

## Brokerage Practices

Form ADV Part 2A, Item 12

### Selection of Executing Broker-Dealers

#### (a) Best Execution

Jenwood uses brokers that are selected on the basis of their ability to execute a particular trade in a timely and cost-effective manner and on the basis of the perceived quality and timeliness of the investment research made available to Jenwood. Jenwood relies on its traders to direct transactions to a particular broker-dealer based on these factors. In determining the reasonableness of the commissions to be paid to its brokers, Jenwood looks at several variables including the difficulty of the trade and the quality of research and other services provided by the broker. Such research and services include among other things, quotes, charting, database services, market and corporate research, transcription services, and valuations.

Jenwood is required by applicable law, rule and regulation to seek to obtain the best price and execution quality of investor securities transactions. Such execution should strive to minimize the investor's total cost or maximize the proceeds (as applicable) while achieving the highest quality execution under the circumstances. Jenwood considers many factors in seeking best execution, only one of which is the actual commission rate or price paid. Best execution is a qualitative, not a quantitative, standard and traders must apply qualitative judgment rather than apply an objective calculation.

In determining best execution, the trader may consider some or all of the following factors:

- Market impact of the trade
- Total cost of the execution
- Competitiveness of commission rates and spreads
- Size of the order
- Broker's ability to execute block trades
- Broker's ability to deliver the security being purchased
- Broker's ability to execute in a volatile market
- Liquidity of the security
- Whether the transaction is spread out among different brokers
- Gross compensation paid to each broker-dealer

- Commitments of capital by broker-dealers
- The broker-dealer's operations capabilities
- How the execution compares relative to experience of the marketplace
- Cost trends
- Availability of alternative electronic crossing networks
- The account's investment strategy and objectives
- The availability of directed brokerage or soft dollar arrangements
- The nature of difficulty of the trade
- The price of similar securities

#### (b) Research and Soft Dollars

Section 28(e) of the Securities and Exchange Act of 1934 provides a "safe harbor" to an investment adviser against claims that it breached its fiduciary duty under state or federal law (including ERISA) solely because the adviser caused its clients' accounts to pay more than the lowest available commission for executing a securities trade in return for brokerage and research services. Because brokerage and research services acquired in this manner do not involve actual payments by the adviser out of its own pocket, this use of client commission dollars has become known as a "soft-dollar arrangement". In recent years, the term "soft-dollar arrangements" has been used by some to refer only to those cases where the broker-dealer is providing third-party services. However, the term is meant to apply to such research and proprietary research and brokerage services provided by the broker-dealer through whom the trade is being placed.

To rely on the safe harbor offered by Section 28(e), two conditions must be satisfied: 1) Jenwood must make a good-faith determination that the amount of commissions is reasonable in relation to the value of the brokerage and research services being received; and 2) the brokerage and research services must provide lawful and appropriate assistance to Jenwood in carrying out its investment decision-making responsibilities. Jenwood requires that the service must serve some legitimate brokerage or research function. The brokerage orders placed must be for securities transactions. Services that assist the adviser in recordkeeping, administrative, marketing and investor servicing, among others, cannot be obtained in reliance on Section 28(e).

In permissible circumstances, Jenwood may receive technology based research, market quotation and/or market survey services which are paid for in whole or part by soft dollar brokerage arrangements. Such research is used for the benefit of all Jenwood accounts, including accounts which do not generate soft dollars. In some cases trades are placed separately for a particular client and in others they are bunched with trades for other clients who are buying or selling the same security. Whenever practicable, orders are bunched so that a lower commission rate per share can be negotiated; in such cases all

participating investors receive the same price per share or other unit. The soft dollar research obtained by Jenwood normally benefits many accounts rather than just the one(s) for which the order is being executed, and not all research may be used by Jenwood in connection with the account(s) which paid commissions to the broker providing the research. For example, Jenwood may use the commissions paid by its clients who invest in equity securities to obtain fixed-income research services. In this situation, the fixed-income research may benefit a set of Jenwood's investors that is different from a set whose commissions generated the soft dollar credits. Jenwood does not seek to allocate soft dollar benefits to investor accounts proportionately to the soft dollar credits the accounts generate.

When Jenwood uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services. Jenwood may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution.

#### (c) Directed Brokerage

Jenwood does not recommend, request or require that any client direct it to execute transactions through a specific broker-dealer. However, Jenwood anticipates that some of its clients will instruct Jenwood to direct all or a portion of executions effected for its account to a specific broker-dealer under certain circumstances. In many cases, this may be done in return for services provided directly to that client, such as research, performance evaluation or other administrative services, master trust services, discounted commissions, or cash rebates to the client.

All such instructions must be provided to Jenwood in writing and in a form to be approved by the Chief Compliance Officer. By that letter, clients acknowledge that the instruction may result in execution costs which are higher than those Jenwood is otherwise able to obtain because (i) no attempt will be made by Jenwood to negotiate commissions with the selected broker-dealer on behalf of the client and (ii) Jenwood may aggregate securities transactions on behalf of other clients and as a result thereof achieve for such other clients better execution than that obtained for the client giving the instruction, and that Jenwood would be in a better position to negotiate brokerage commissions for the client by aggregating client's transactions with the transactions of such other clients if the client had not directed Jenwood to use that broker.

#### (d) Aggregation of Orders

Final allocations of purchase and sale transactions for clients are dependent on many factors, including client guidelines, strategy, market value, cash availability, weightings,

credit rating of issue, the age of the trade request, recent trades for an account, the size of the order, the number of shares or bonds purchased, existing portfolio holdings by account, the characteristics of the market, and level of risk the investor is willing to assume.

There is no specific calculation that must be used to allocate orders among clients, but the outcome of the allocation system implemented will result in the fair and equitable treatment of all clients, will always consider the suitability of the securities for specific clients, and will ensure that no accounts are given preferential treatment. One allocation method used where the entire amount of shares sought is not obtained is the pro-rata allocation of a day's transactions among accounts with open orders for that security, based on the average price obtained that day. Accounts are allocated shares in proportion to the percentage of the original amount of shares sought. Shares may also be allocated randomly.

(c) Brokerage for Client Referrals

Jenwood does not direct brokerage for client or investor referrals.

### **Review of Accounts**

Form ADV Part 2A, Item 13

Thomas Fawell regularly reviews the investments in the ETF Fund, the Special Events Fund and in the SMAs. Investors in the Funds and SMA Clients and investors in the Funds will receive written quarterly reports summarizing the statement of capital, including the value of their investment activity in their accounts and the return on their investments. In addition, Jenwood will provide the investors in the Funds with annual audited financial statements.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

From time to time, Jenwood may deem it to be in the best interests of the firm and its investors to engage a third party (a “Solicitor”) to introduce clients and/or investors to Jenwood and its Funds. In most cases, after the initial referral, while the Solicitor continues to communicate with the investor, the Solicitor will not engage in any decision-making or provide any investment advice with respect to the introduced investor.

Depending on the specific arrangement, Jenwood may pay Solicitors a fee, which may be calculated as a percentage of the fees paid to Jenwood in connection with the investor. In all cases, Jenwood will enter into a written agreement with the Solicitor and introduced investors will be notified that compensation is paid to the Solicitor. In all other respects, the introduced investors will be subject to the policies and procedures of Jenwood, including requirements concerning new account documents and account agreements.

## **Custody**

Form ADV Part 2A, Item 15

The Funds' and SMAs' funds and securities are to be held at a "qualified custodian" as that term is defined at Rule 206(4)-2(a)(1). In addition, each Fund is audited annually by an auditor which is registered with and under the supervision of the Public Company Accounting Oversight Board (PCAOB). Copies of these annual audited statements will be sent to investors in the respective Funds by no later than 120 days after the Fund's fiscal year end.



## Investment Discretion

Form ADV Part 2A, Item 16

The Funds and SMA investor accounts are generally managed on a fully discretionary basis where Jenwood makes all decisions as to which securities are bought or sold and/or the total amount bought or sold. If an SMA client wishes to limit Jenwood's discretion in any way, the limitation will be contained in the client's advisory agreement.

## Voting Client Securities

Form ADV Part 2A, Item 17

Jenwood Proxy Voting Policy. Exercising proxy voting rights is an important element of successful investor investment management. Jenwood recognizes its fiduciary responsibility to vote proxies solely in the client or investor's best interests with the overall goal of maximizing the growth of our clients' assets. Toward that end, Jenwood developed a comprehensive and detailed set of proxy voting policies and guidelines "Proxy Voting Policy"), which its portfolio managers use to vote proxies in securities held in client accounts.

Jenwood generally votes proxies that will further the underlying securities' long-term economic value. It considers each proxy proposal on its own merits, and makes an independent determination of the advisability of supporting or opposing management's position. Management recommendations should be given substantial weight, but Jenwood will not support management proposals it believes are detrimental to the underlying value of its clients' positions.

Jenwood usually opposes proposals that dilute the economic interest of shareholders, and also opposes those that reduce shareholders' voting rights or otherwise limit their authority. With respect to takeover offers, Jenwood calculates a "going concern" value for every holding. If the offer approaches or exceeds Jenwood's value estimate, it will generally vote for the merger, acquisition or leveraged buy-out.

Jenwood's portfolio managers generally recommend votes following the Proxy Voting Policy. By following predetermined voting guidelines, Jenwood believes it will avoid any potential conflicts of interests. Rarely, where a manager recommends a vote contrary to the Proxy Voting Policy, Jenwood will review the proxy issue and the recommended vote to ensure that the vote is cast in compliance with Jenwood's overriding mandate to vote proxies in the clients' best interests avoid conflicts of interests.

Jenwood will not be able to vote proxies in cases where Jenwood does not receive the proxy materials in time or without enough advance notice for Jenwood to evaluate the issues and cast the votes. Jenwood does not control the setting of record dates, shareholder meeting dates, or the timing or manner of distribution of proxy materials and ballots relating to shareholder votes. In addition, administrative matters beyond Jenwood's control may at times prevent Jenwood from voting proxies. Conflicts may potentially arise between Jenwood's interest and the investor's interest. For example, Jenwood may have an

investment management agreement with a company whose shares are held by investor accounts, and a conflict may arise if Jenwood has to vote proxies on those shares for a management proposal, such as the election of directors. Jenwood may decline to vote in a number of situations, including where an issue is irrelevant to the Proxy Voting Policy's voting objective, or where Jenwood believes it is impossible to ascertain what effect a vote may have on an investment's value (*e.g.*, social issues), or where costs are prohibitive (*e.g.*, foreign issuers).

## Financial Information

Form ADV Part 2A, Item 18

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Jenwood does not (i) require or solicit prepayment of more than \$1,200 in fees per investor, six months or more in advance, and (ii) have any financial commitments or other conditions that would impair its ability to meet contractual commitments to investors. Jenwood has not been the subject of a bankruptcy proceeding. Jenwood does not have any financial information requiring disclosure in this brochure.