

# Form ADV Part 2A Brochure

## Wilton Asset Management, LLC

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This Brochure provides information about the qualifications and business practices of Wilton Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-786-3000 and/or [Compliance\\_SSgA@ssga.com](mailto:Compliance_SSgA@ssga.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Wilton Asset Management, LLC 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 investment adviser provide you with information about which you determine to hire or retain an investment adviser.

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

## **Item 2 – Material Changes**

Wilton Asset Management, LLC's last annual update of its brochure was March 28, 2013. As of the date of this brochure, Wilton Asset Management, LLC is registered with the SEC but has checked box 13 in Item 2A. of Part 1A of Form ADV indicating that it is no longer eligible to register with the SEC. Under Section 203A(a)(2), Wilton Asset Management, LLC is a mid-sized advisory firm that has regulatory assets under management of \$25 million or more but less than \$100 million and is subject to registration with the State of Delaware. Wilton Asset Management, LLC is in the process of registering with the State of Delaware and will withdraw its SEC registration once its State registration is approved.

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## **Item 4 – Advisory Business**

Wilton Asset Management, LLC (“WAM”) is owned 50% by State Street Global Advisors, Inc. (“SSgA Inc.”), and 50% by DuPont Capital Management Corporation (“DuPont Capital”), a registered investment adviser. WAM acts as manager and investment adviser to the Wilton Private Equity Fund, LLC (the “Fund”). The Fund is a closed-end private equity investment fund, which had its initial closing on February 13, 2001 and final closing on November 16, 2001. The Fund is WAM’s only client and has certain investment guidelines and restrictions outlined in the Fund Operating Agreement.

The Fund invests in a diverse portfolio of closed-end private investment funds, including without limitation, private corporate finance funds, special situation funds and venture capital funds (collectively, the “Partnerships”), and makes certain direct investments. The Fund may invest directly in the debt and equity securities of a company on a side by side basis with a Partnership, whether or not the Fund has invested in such Partnership.

WAM has engaged DuPont Capital to act as a sub-advisor in identifying possible investment vehicles, but all investments will be approved by WAM. DuPont Capital’s fees for acting as sub-advisor to WAM will be borne by WAM, not by the Fund.

WAM’s investment supervisory services include selecting investments and executing transactions on behalf of the Fund. All services are furnished on a continuous basis, taking into account the needs of the Fund.

As of September 30, 2013, WAM had \$90,631,838 in regulatory assets under management on a discretionary basis. WAM does not have non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

The advisory fee applicable to each investor in the Fund is based upon the lesser of the investor’s share of net asset value and its capital commitment. WAM bills the clients directly for the advisory fees. Some additional fees incurred by the Fund including custodian fees are paid within the Fund. WAM clients may be required to pay fees in advance.

In addition to the fees mentioned above, clients may incur certain transaction costs in the normal course of business. Please refer to “Item 12 Brokerage Practices” for a more detailed discussion of the brokerage practices at WAM. WAM does not require pre-payment of fees, WAM’s supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Due to the nature of the Fund, clients do not have the option to purchase shares of the fund through other brokers or agents.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

WAM can earn a performance fee or incentive fee with respect to certain investments in the Fund which may create an incentive for WAM to recommend an investment that may carry a higher degree of risk to the Fund. The manager is allocated 10% of profits on co-investments and secondaries after investors receive their return of capital including amounts paid for fees, expenses and advisory fees and an 8% return on the investments.

Potential conflicts of interest may exist when portfolio managers manage accounts with similar investment objectives and strategies. The portfolio managers managing the Funds are generally dual employees of WAM and DuPont Capital and may manage other accounts in addition to the Funds. For instance, during its investment period, DuPont Capital may identify desirable investments for its private equity clients, including WAM, that are available only in limited quantities. In these cases, investments are allocated pro rata based on the amount of capital committed to each fund or separate account. Further details on the pro rata calculations are provided in each fund's offering memorandum and, where DuPont Capital has investment discretion, are communicated to each separate account client in its investment management agreement.

## **Item 7 – Types of Clients**

WAM's only client is the Fund. The Fund is a closed-end private equity investment fund, which had its initial closing on February 13, 2001 and final closing on November 16, 2001.

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

WAM, on behalf of the Fund, invests in a diverse portfolio of closed-end private investment funds, including without limitation, private corporate finance funds, special situation funds and venture capital funds, and makes certain direct investments. The Fund may invest directly in the debt and equity securities of a company on a side by side basis with a Partnership, whether or not the Fund has invested in such Partnership.

WAM's investment selection criteria and process are a disciplined, value-based strategy intended to produce returns in excess of those available from a traditional portfolio of stocks and bonds. WAM will proactively seek Partnership investments that demonstrate an advantageous combination of three key criteria:

- Value focus;
- Management qualifications; and,
- Alignment of interests.

WAM carefully evaluates the expected underlying economics of each investment opportunity, including risk factors and the time period for the realization of the targeted return. A key factor in achieving superior investment returns lies in the strategy, capabilities and performance of the Partnerships' management teams. As such, proper due diligence and analysis of the opportunity and the team is critical prior to making an investment. WAM will target investment opportunities from which it expects the Fund to realize returns within three to five years after capital contribution. WAM will also use reference calls and discussions with investors and industry professionals, court records and private investigations.

The risk of loss in any single Partnership or direct investment is high, investing in securities involves risk of loss that clients should be prepared to bear. DuPont Capital controls the total Fund risk by limiting commitments of Fund capital to no more than:

- 25% to Partnerships or co-investments whose strategy is to make investments principally outside of North America;
- 20% to a single Partnership;
- 15% to direct co-investments;
- 15% to secondary Partnership purchases; and,
- Conducting due diligence to make certain that the individual Partnerships have concentration limits.

Clients should refer to the Fund's offering documents for more detailed discussion of risks.

WAM invests in a variety of private securities including direct equity interests in start-up or private companies, and debt securities in private companies including distressed companies.

Any single investment in the Fund is extremely risky due to the (i) size; (ii) leverage; and, (iii) illiquidity of the companies that the Fund invests in.

*Small Companies Risk:* Small companies may offer greater opportunities for capital appreciation than larger companies, but they tend to be more vulnerable to adverse developments than larger companies, and investments in such companies may involve certain special risks. Such companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. In addition, such companies may have been recently organized and have little or no track record of success. Also, the Adviser may not have had an opportunity to evaluate such newer companies' performance in adverse or fluctuating market conditions. The securities of small companies may trade less frequently and in smaller volume than more widely held securities. The prices of these securities may fluctuate more sharply than those of other securities, and a Fund may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, both of which can cause significant price volatility. Some securities of smaller issuers may be illiquid or may be restricted as to resale.

*Leveraging Risk:* Certain transactions, including, for example, when-issued, delayed-delivery, and forward commitment purchases, loans of portfolio securities, and the use of some

derivatives, can result in leverage. Leverage generally has the effect of increasing the amounts of loss or gain a Fund might realize, and creates the likelihood of greater volatility of the value of a Fund's portfolio. In transactions involving leverage, a relatively small market movement or change in other underlying indicator can lead to significantly larger losses to the fund.

*Liquidity Risk:* Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities that may be held in accordance with applicable law, may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities readily at a favorable time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities.

DuPont Capital attempts to control risk by selecting managers with proven track record and skills in managing these types of portfolios.

## **Item 9 – Disciplinary Information**

There have been no legal or disciplinary events that would be material to a client's or prospective client's evaluation of WAM's advisory business or the integrity of WAM's management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

WAM may utilize the services of an affiliated registered broker-dealer, State Street Global Markets LLC ("SSGM"), when WAM reasonably believes that such use will result in the best price and execution for its clients and when authorized by its clients to do so. SSGM is registered as a broker-dealer with the SEC, and is a member of the Financial Industry Regulatory Authority, National Futures Association, the Municipal Securities Rulemaking Board, SIPC, and various exchanges. In addition, SSGM became a futures commission merchant in October of 2009.

WAM is also affiliated with a number of investment advisers that are registered with the Securities and Exchange Commission ("SEC") or are exempt from SEC registration including DuPont Capital. See Form ADV Part 1 Schedule D Section 7.A for a listing of certain of WAM's affiliates.

As discussed in Item 4 – Advisory Business, SSgA Inc. and DuPont Capital each own 50% of WAM. As a result, WAM is affiliated with State Street Bank and Trust Company ("SSBT"), a state chartered bank, which, in accordance with applicable law, provides custody, accounting, securities lending and administrative services to certain registered investment companies which are advised or sub-advised by companies affiliated with WAM. In addition, SSBT became a provisionally registered swap dealer in December of 2012. SSBT also provides investment advisory services to its clients, through its global investment arm, State Street Global Advisors ("SSgA"). WAM may utilize the services of employees who are also employees of SSgA.

WAM is responsible for the performance of duties delegated to SSgA and DuPont Capital, including compliance with all applicable rules and regulations.

## **Item 11 – Code of Ethics**

To help prevent conflicts of interest, SSgA and DuPont Capital have respectively adopted a Code of Ethics, which imposes restrictions on the investments in their own respective accounts and the accounts of certain affiliated persons. Employees of SSgA and DuPont Capital are permitted to invest for their own account, provided that such investment activity must always comply with applicable laws and regulations and must be carried out in a manner consistent with the respective firm's Code of Ethics. In addition, SSgA and DuPont Capital have both adopted certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer or employee of WAM. Each client or prospective client is provided with a copy of the Code upon request.

DuPont Capital purchased an interest in some of the same private market investments that it is purchasing in its investment management capacity for the Fund. If certain business goals are achieved, such investments will ultimately be utilized to compensate selected employees for their role in helping DuPont Capital and WAM build a profitable private markets investment business.

## **Item 12 – Brokerage Practices**

As a private equity investment manager, WAM does not anticipate that it will need to use broker/dealers to execute portfolio transactions. In such circumstances where the services of a broker/dealer are needed, WAM may select the broker/dealer deemed most capable of providing the services necessary to obtain the most favorable execution. Transactions in unlisted equity securities shall generally be executed through a primary market maker or ECN.

WAM shall use its best efforts to obtain information as to the general level of commission rates being charged by the brokerage community from time to time and evaluate the overall reasonableness of the brokerage commission paid on Fund transactions by reference to such data. In making such evaluations, all factors affecting liquidity and execution of the order, as well as the amount of the capital commitment by the broker, are taken into account. Other relevant factors can include: (a) the execution capabilities of the brokers/dealers, (b) research (including economic forecasts, investment strategy advice, fundamental advice on individual securities, valuation advice and market analysis), (c) the size of the transaction, (d) the difficulty of execution, (e) the operations facilities of the brokers and/or dealers involved, (f) the risk in positioning a block of securities, and (g) the quality of the overall brokerage and research services provided by the broker/dealer.

The Fund may pay a broker/dealer an amount of commission for effecting a transaction for the Fund in excess of the amount of commission another broker/dealer would have charged for effecting that transaction if WAM determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the



broker/dealer to WAM or an affiliate of WAM and used for the benefit of the Fund. WAM has no agreements with brokers for a fixed dollar commission commitment in return for research services from a third party research provider.

WAM does not receive research or other products or services other than execution from a broker or a third party in connection with client securities transactions (“soft dollar benefits”). Moreover, WAM does not consider, in selecting or recommending broker-dealers, whether WAM or a related person receives client referrals from broker-dealers or third-parties. Furthermore, WAM does not routinely recommend, request or require that a client direct the execution of transactions through a specified broker-dealer. Finally, WAM does not under any foreseeable conditions aggregate the purchase or sale of securities for various client accounts.

## **Item 13 – Review of Accounts**

Portfolio monitoring is a critical aspect of the investment process. As a registered investment advisor affiliated with WAM, DuPont Capital is expected to carry out this function as a sub-adviser to WAM. DuPont Capital normally obtains an advisory board seat through which it actively monitors activity of the Partnerships in which investments are made. The role of the advisory board generally is to review investment strategy, performance, valuation and conflicts of interest. By closely tracking investment strategy and performance through advisory board participation, DuPont Capital is able to gain valuable insight into the funds investment philosophy, decision making process and strategy for achieving its investment goals. This insight allows DuPont Capital’s portfolio managers to take appropriate action to monitor performance or address underlying portfolio concerns with the Partnerships management, to make more informed investment decisions regarding follow-on funds and to better evaluate other funds with similar strategies. DuPont Capital participates in quarterly advisory boards and reviews quarterly Partnership financial statements as part of its normal process. There are no specific triggers that would cause a review of an account outside of the periodic review described above as DuPont Capital has an active an ongoing monitoring process.

Each investor will receive from WAM, at least quarterly, a written report on the status and investment activities of the Fund. The form (written material, discussions with WAM personnel or discussions with DuPont Capital personnel) and the frequency of such communications may vary based on the size of an investor's commitment.

WAM provides quarterly reports setting forth the value of each member's capital account with respect to the Fund managed by WAM. Investors also receive descriptive information about the Fund's portfolio investments on a quarterly basis. WAM also provides each member with annual audited financial statements of the Fund as of the end of each fiscal year.

## **Item 14 – Client Referrals and Other Compensation**

WAM does not participate in Client Referral Arrangements.

## **Item 15 – Custody**

Custody statements are sent directly to the investors in the Fund from the account custodian. Those statements are the official record of the investor's account. Clients are encouraged to compare and verify the information on the statements provided by WAM with the information on the statements sent by the account custodian.

## **Item 16 – Investment Discretion**

WAM has full discretionary authority to manage the investments within the Fund, its sole client, as disclosed in and limited by the Fund Operating Agreement.

## **Item 17 – Voting Client Securities**

As a private equity investment manager, there will be rare occasions when WAM would be required to vote proxies. Oversight of the proxy voting process is the responsibility of the WAM Investment Committee. The WAM Investment Committee will review all votes on a case-by-case basis. The Investment Committee votes in the best interests of WAM clients. In addition to voting proxies, WAM will keep records of all the votes and make them available upon request for inspection by WAM clients or governmental agencies. Please contact WAM for further information about or a copy of the WAM proxy voting policy and proxy voting records.

## **Item 18 – Financial Information**

WAM has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements of State- Registered Advisers**

*Investment advisers that are registering or are registered with one or more state securities authorities must respond to this Item. WAM is registering with the State of Delaware.*

Included below is a description of the formal education and business background of WAM's principal executive officers and management persons.<sup>i</sup>

### Principal Executive Officers and Management Persons

#### *Alyssa Albertelli, Chief Compliance Officer*

Alyssa Albertelli is the Chief Compliance Officer for WAM, SSgA, and SSgA Funds Management, Inc. She is a member of the SSgA Executive Management Group and reports to the President and Chief Executive Officer of SSgA and Chief Compliance Officer of State Street Corporation.

Alyssa joined SSgA in March 2012 as a Senior Vice President and Chief Legal Officer for SSgA Funds Management Inc. In that role, she was responsible for the legal teams supporting Global Product and Marketing and the U.S. registered advisory, mutual fund, money market fund, and exchange traded fund businesses.

Previously, Alyssa was a partner at Ropes & Gray LLP and a member of the investment management practice for 15 years. She provided legal advice to investment companies, their independent directors and investment advisers. Alyssa also counseled clients in the establishment, registration and operation of retail and institutional fund products. She represented clients in merger and acquisition transactions, as well the post-merger integration of operations and products. In addition, she assisted clients experiencing or anticipating compliance, examination, enforcement or other regulatory issues with the Securities and Exchange Commission and other regulatory agencies. Prior to joining Ropes & Gray, Alyssa was an associate in the investment management group at K&L Gates for two years. She worked in finance in the mutual fund industry before attending law school.

Alyssa earned her Juris Doctor from Boston University School of Law, cum laude, and Master of Business Administration from Boston University School of Management. She earned her Bachelor of Arts in economics and finance from Simmons College.

*Karen Muzi, Treasurer*

Karen Muzi is the Treasurer of WAM. Karen is a Vice President at State Street Global Advisors and an Accounting Manager responsible for financial reporting and internal controls. Karen is also the Financial Controller responsible for the Global Alliance venture where she directs and coordinates revenue and expense and financial reporting for Global Alliance and its affiliates. Karen has over 14 years of industry experience in asset management, investments & banking. Prior to joining SSgA Karen worked for State Street Corporate Finance where she was responsible for managing subsidiary accounting for State Street Corporation including international and domestic investment ventures and subsidiaries. Prior to joining State Street, Karen was with First Data Investor Services Group and The Boston Company holding various financial positions of increasing responsibility.

Karen holds a Masters degree from Bentley College and her Bachelors of Science from the Massachusetts College of Liberal Arts.

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<sup>i</sup> Excludes those individuals whose backgrounds are described in Part 2B brochure supplement of this Form ADV.