



**W Capital Management, LLC  
(d/b/a W Capital Partners)**

**Form ADV Part 2A  
(the “Brochure”)**

400 Park Avenue, Suite 910  
New York, New York 10022  
Telephone: (212) 561-5240

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

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**This Brochure provides information about the qualifications and business practices of 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).**

**W Capital may refer to itself as a “registered investment adviser.” Registration with the SEC as an investment adviser does not imply that W Capital or any of the Principals (as defined herein) 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 Item 2 discusses only material changes since W Capital filed its most recent annual updating amendment to Part 2A of its Form ADV on May 16, 2018.

Accordingly, this updated Brochure includes the following changes, among others, that recipients should consider:

There are no material changes to the Brochure since the previous filing.

## Important Note about this Brochure

### ***This Brochure is not:***

- ***an offer or agreement to provide advisory services to any person***
- ***an offer to sell interests (or a solicitation of an offer to purchase interests) in any W Capital Fund (as defined below)***
- ***a complete discussion of the features, risks or conflicts associated with any W Capital Fund***

*As required by the Investment Advisers Act of 1940, as amended (together with all rules and regulations promulgated thereunder, the “Advisers Act”), W Capital provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a W Capital Fund, together with other relevant governing documents, such as such W Capital Fund’s offering or private placement memorandum, prior to, or in connection with, such persons’ investment in such W Capital Fund. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.*

*Although this publicly available Brochure describes investment advisory services and products of W Capital, persons who receive this Brochure (whether or not from W Capital) should be aware that it is designed solely to provide information about W Capital as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each W Capital Fund is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by W Capital, its affiliates or another authorized party. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.*

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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 David Wachter, Managing Partner and Co-Founder of W Capital, Alison Killilea, Todd Miller, Katie Stich and Blake Heston, (the “Principals”), and Co-Founders Robert Migliorino and Stephen Wertheimer.

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 partnership 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. W Capital does not provide individualized advice to investors, and investors must consider for themselves whether an investment in a particular Fund meets their investment objectives and risk tolerance prior to investing.

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, such related persons.

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, including co-investment opportunities.

W Capital or its related persons may also establish certain W Capital Funds (“Feeder Funds”) to address certain tax or regulatory requirements. In addition, W Capital may form other alternative investment vehicles or special purpose vehicles (collectively, “AIVs”) for the purpose of facilitating certain investments by one or more W Capital Funds and/or investors in order to comply with securities laws or to address tax, legal or regulatory issues. Please refer to Item 7, “Types of Clients” for more information.

As of December 31, 2018, W Capital’s total regulatory assets under management was \$1,748,379,485. 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.

## **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 as compensation for the investment advisory services rendered to the applicable W Capital Fund. W Capital also receives performance-based compensation from the W Capital Funds as described further in Item 6, “Performance-Based Fees and Side-by-Side Management”.

The precise amount, timing and calculation of the management fees owed by each W Capital Fund are established by W Capital and are set forth in such W Capital Fund’s Governing Documents. In certain circumstances, the advisory fees payable to W Capital may vary among investors within a W Capital Fund and 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 (and their investors) are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Company Act”), and therefore W Capital is not required to include fee and compensation information in this brochure.

In addition, the general partner of a W Capital Fund may form co-investment or other vehicles that may provide for different terms and conditions than those set forth in the limited partnership agreement for the W Capital Fund including, but not limited to, reduced or waived fees.

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

W Capital is authorized under the Governing Documents of each W Capital Fund 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.

In certain limited instances, as described in each W Capital Fund’s Governing Documents, 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 and/or bear certain charges 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: organizational expenses of such W Capital Fund and affiliated entities and the offer and sale of interests in such W Capital Fund and such affiliated entities; all costs and expenses of such W Capital Fund that are not reimbursed by third parties, including liquidation expenses of the W Capital Fund; any sales or other taxes (including, without limitation, any taxes assessed against any of the W Capital Fund, W Capital or the applicable general partner in respect of the management fee except for income taxes assessed in respect of the management fee), 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 W Capital or the applicable general partner on behalf of the W Capital Fund), registration expenses, commissions, finders', brokerage, custodial, banking, qualification, depository, due diligence and other fees or similar charges) incurred in connection with investigating, evaluating, monitoring, 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 of the applicable fund (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 and preparing for 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 and any fees and expenses relating to or arising from borrowed money (if any), guarantees or other indebtedness involving the W Capital Fund or its portfolio companies; 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, consulting, custodial 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 charged by a third party administrator, including expenses incurred in connection with the preparation and distribution of the W Capital Fund's financial statements, tax returns and expenses incurred by the "tax matters partner" or "partnership representative", as applicable, in connection with FATCA, CRS and/or similar reporting costs and in connection with complying with (or facilitating compliance with) any applicable law, rule or regulation (including legal fees, costs and expenses), regulatory filing or other expenses of the W Capital Fund, its general partner or W Capital, including Form PF filings and any compliance, filings or other obligations related to or arising out of the European Union Alternative Investment Fund Managers Directive (as amended from time to time), in each case, involving or otherwise related to the W Capital Fund, provided that general compliance with the Advisers Act will be borne by W Capital; fees and expenses (including legal, advisory,

accounting, incentive and/or “carry”) 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 general partner of the general partner, 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; expenses incurred in connection with the managed distribution of marketable securities; expenses incurred in connection with developing, licensing, implementing, maintaining or upgrading any web portal or extranet tools for the benefit of the W Capital Fund or its limited partners; and all other expenses properly chargeable to the activities of the W Capital Fund. In addition, the general partner of a W Capital Fund may, in its discretion, determine that certain costs and expenses (including broken-deal expenses) directly or indirectly related to a transaction will not be charged to a co-investment vehicle, and in such case such expenses would be borne by the applicable W Capital Fund(s) to which the relevant portfolio companies relate. Also, please see Item 14, “Client Referrals and Other Compensation”.

Please see Item 12, “Brokerage Practices” for a discussion of the factors W Capital considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

From time to time, W Capital or the general partner of one or more W Capital Funds may be required to decide how costs and expenses are to be allocated among one or more W Capital Funds and/or the general partner and W Capital. Generally, the majority of expenses incurred is for the benefit of a specific W Capital Fund, the general partner or W Capital, and therefore are allocated directly to that entity. In limited instances, expenses may relate to multiple W Capital Funds and/or the general partner of a W Capital Fund and W Capital. In these instances, W Capital and/or the general partner has the sole discretion to make allocations of expenses. However, a conflict of interest may arise where the general partner or W Capital may bear some of the expense. The general partner or W Capital, as applicable, will make these allocations in a manner that it determines, in good faith, to be fair and equitable, notwithstanding its interest in the outcome.

#### *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, generally through the payment of “carried interest” to an affiliate that serves as general partner to a W Capital Fund. 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 comply with Rule 205-3 under the Advisers Act. Any share of profits paid to the general partners of the W Capital Funds is separate and distinct from the advisory fees charged by W Capital for advisory services.

The existence of carried interest in a W Capital Fund may create an incentive for W Capital to make more speculative investments on behalf of W Capital Funds than it would otherwise make in the absence of such performance-based compensation. However, this risk is mitigated to some extent since: (i) carried interest is based on the success of the W Capital Fund as a whole and not any single investment, and therefore W Capital’s total carried interest is not likely to be affected by any single unsuccessful investment and (ii) W Capital’s management and other personnel have made significant personal capital commitments to the W Capital Funds, and/or to investment vehicles that invest in the same securities at the same time and on the same terms as the W Capital Fund. These reduce the incentive to take excessive risks with respect to particular portfolio investments by aligning W Capital’s and its personnel’s financial interests with those of the fund investors.

With respect to the W Capital Funds, an affiliate of W Capital in its capacity as the general partner of the applicable W Capital Fund is eligible to receive carried interest, ultimately calculated based upon a percentage of the relevant W Capital Fund’s return on its invested capital across its entire portfolio. Certain of W Capital’s investment professionals and other personnel participate in the carried interest paid to the general partner of one or more W Capital Funds as a result of their ownership (or other interest) in such general partners. Accordingly, W Capital and its personnel, including personnel involved in the management of one or more W Capital Funds may have differing pecuniary interests with respect to different W Capital Funds.

These differing pecuniary interests may create conflicts of interests with respect to the allocation of time, resources and investment opportunities, as W Capital and its personnel may have an incentive to favor funds in which they have a greater pecuniary interest. However, W Capital’s fiduciary obligations to act in the best interest of its clients, as well as its contractual obligations to W Capital Funds obligate W Capital and its personnel to meet certain professional standards of care and mitigate potential conflicts of interest that may exist with respect to W Capital’s allocation of time, resources and investment opportunities based on differing compensatory or pecuniary interests. These and other potential conflicts may also be addressed through the applicable Advisory Board comprised of investors in a W Capital Fund that are not affiliated with W Capital. These Advisory Boards are established through the W

Capital Funds' Governing Documents and are authorized to act on behalf of the relevant W Capital Fund for certain purposes under the Advisers Act and the relevant Governing Documents. In particular, Advisory Board members may be called upon to review, and determine whether or not to approve or consent to, various transactions or other potential conflicts that may arise. The existence and use of an Advisory Board may mitigate, but does not eliminate potential conflicts of interest.

#### *Side-by-Side Management*

W Capital may provide concurrent advisory services to W Capital Funds and 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-based 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 qualified purchasers and are excepted from registration as an investment company pursuant to Section 3(c)(1) and/or 3(c)(7) of the Company Act.

W Capital or its related persons may also establish certain W Capital Funds to address certain tax or regulatory requirements ("Feeder Funds"). 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 AIVs formed for the purpose of facilitating certain investments by one or more W Capital Funds and/or investors, (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”) and (iii) form one or more investment vehicles for the purpose of managing co-investments (“Co-Investment Funds”). Investors and prospective investors should review the Governing Documents of the applicable W Capital Fund for more 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, as amended. 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.

Please refer to the Governing Documents of each of the W Capital Funds for complete information on minimum investment requirements for participation in a particular W Capital Fund.

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

W Capital’s investment activities involve a significant degree of risk of loss that any investor in the W Capital Funds should be prepared to bear. This section contains a general discussion of W Capital’s methods of analysis and investment strategies and the primary risks associated with W Capital’s investment activities. It is not possible to identify all of the risks associated with investing, and the particular risks applicable to a Fund will depend on the W Capital Fund’s investment strategy or strategies and the types of investments held by the W Capital Fund.

While W Capital seeks to manage the W Capital Funds so that risks are appropriate to the return potential for the W Capital Fund, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved or that losses will be avoided.

Investors should be aware that W Capital Funds may be limited to certain types of investments (i.e., secondary direct private equity) and may not be diversified. The W Capital Funds are generally not intended to provide a complete investment program. Investors are responsible for appropriately diversifying their assets held outside of W Capital Funds to guard against the 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 are 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; and (iv) private offering memoranda and 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. Please refer to the Governing Documents for each of the W Capital Funds for more 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 implement this strategy or make and/or realize any particular investment or that the W Capital Funds will be able to generate returns for their investors or avoid losses. 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, other material risks involved with W Capital's investment strategies that are explained in more detail in the Governing Documents of the applicable W Capital Fund. Please refer to such Governing Documents for additional 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. Over the past several years, an increasing number of direct secondary investment funds and other capital pools targeted at the secondary sector have been formed, and additional capital will likely be directed at this sector in the future. Other investment funds currently in existence or organized in the future, may adopt, partially or totally, W Capital's strategy and compete with the W Capital Funds. Such competing funds may have greater resources than a W Capital Fund and may seek to bid up the price of investments, which could adversely affect the W Capital Fund's proposed business plan. Some of these competing funds may have greater access to investment opportunities in direct secondary investments and greater ability to complete investments than such W Capital Fund, or may have different return criteria than such W Capital Fund, any of which would afford them a competitive advantage. 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 investments. 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 investments 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. Investors in a W Capital Fund may have limited recourse in the event that any member of the investment team ceases to perform services for the W Capital Fund. Investors are not expected to be permitted to withdraw commitments or investments in a Fund as a result of the departure of one of the professionals responsible for the activities of the applicable W Capital Fund.

### *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.

### *Cybersecurity Risks*

A W Capital Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a W Capital Fund and its limited partners, despite the efforts of W Capital and the W Capital

Fund's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of W Capital, a W Capital Fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of W Capital's systems to disclose sensitive information in order to gain access to W Capital's data or that of a W Capital Fund's limited partners. A successful penetration or circumvention of the security of W Capital's systems could result in the loss or theft of a limited partner's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a W Capital Fund, W Capital or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the underlying portfolio companies in which a W Capital Fund would invest, which could have material adverse consequences for such W Capital Fund, and may cause the W Capital Fund's investments to lose value.

#### **Item 9: Disciplinary Information**

Not Applicable.

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

##### *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. Please 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. In addition, related persons of W Capital may serve as directors and officers of, and provide business advice to, publicly traded and private companies including some that are portfolio companies. Conflicts may arise when such persons are required to make decisions, in their role as officers and directors, in the best interest of a portfolio company and its shareholders generally but a W Capital Fund's interest diverges from this general interest. This may occur, for example, where a portfolio company is experiencing severe financial distress, near-insolvency or bankruptcy.

The above individuals may spend a substantial portion of their time with these related management activities. When W Capital's investment professionals divide their business time among multiple W Capital Funds (including any parallel fund, any co-investment entity, and any alternative investment vehicle and any entity formed in connection with an investment) and/or other activities, such persons may have an incentive to devote greater resources, time or attention to certain W Capital Funds, investments or activities, based on pecuniary or other interests. To mitigate this conflict, W Capital and its affiliates have agreed to devote, and to cause their Principals to devote, reasonable time to each W Capital Fund.

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 over time as determined by W Capital taking into account all relevant facts and circumstances.

Additionally, on an investment-by-investment basis, W Capital may, but is not obligated to, offer co-investment opportunities to limited partners and/or third parties, which it may select in its sole discretion, for investments in a portfolio company either directly or through the formation of one or more co-investment entities. There is no guarantee that any investor would be offered a co-investment opportunity. Certain co-investors may pay no or reduced management fees, carried interest and other fees. Otherwise, the terms of any such co-investment will be generally equivalent to those received by the W Capital Fund.

#### **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 W Capital 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. Investors and prospective investors may obtain a copy of the code by contacting W Capital's Chief Compliance Officer using the information listed on the cover page of this Brochure.

#### *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 limited situations, certain related persons of W Capital may purchase or sell interests in the same portfolio companies held by one or more W Capital Funds, provided that they invest or divest on the same general terms and conditions as the respective Fund, and obtain the approval of a Principal and the CCO, for such investment. 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. In such event, the final investment decision shall be independently reviewed by the CCO. A related person shall not be required to make such disclosure 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, in limited circumstances, 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. W Capital will generally review such limited cross trade circumstance with the respective Fund's Advisory Board. Prior to engaging in a cross transaction, employees must consult with the CCO/Chief Financial Officer so that they may assess whether the cross trade is consistent with fiduciary obligations and W Capital disclosures.

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.

Please see Item 6, "Performance-Based Fees and Side-by-Side Management" for a discussion of W Capital's mitigation of potential conflicts of interest related to W Capital's receipt of compensation from the W Capital Funds.

#### **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 companies 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 ability to sell large blocks of stock, 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, but may, as noted above, receive research from broker-dealers, including those chosen to execute a W Capital Fund's portfolio transactions.

### *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. W Capital does not often trade in public securities. To the extent that multiple W Capital Funds hold an interest in the same issuer, disposition opportunities with respect to that investment shall, to the extent practicable, be handled on the same terms and timing among the W Capital Funds, and be consistent with the applicable W Capital Fund's Governing Documents. W Capital will, in such circumstances, determine in good faith if joint execution would be consistent with its duty to seek best execution and otherwise in the best interest of the W Capital Affiliated Funds. Notwithstanding the foregoing, should W Capital believe that execution at different times and at different terms is to the benefit of the W Capital Fund, W Capital will submit the proposed transaction terms to the relevant W Capital Fund's Advisory Board for their approval.

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 over time to each W Capital Fund relative to the other W Capital Funds, taking into account all relevant facts and circumstances. 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 takes into account each W Capital Fund's investment objectives, is consistent with each W Capital Fund's disclosures and representations, as well as any contractual obligations to investors in the allocation process.

### **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 individual capital account statement and unaudited financial statements of the W Capital Fund for the fiscal quarter. Investors will also receive annual audited financial statements, prepared in accordance with GAAP, within 120 days after the relevant W Capital Fund's fiscal year end.

Please 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 potential 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. Please 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*

While W Capital does not enter into client referral arrangements under SEC Rule 206(4)-3, 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 placement agent fees 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 referring investors to the W Capital Funds or placing interests in such 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 Rule 206(4)-2 under the Advisers Act and related staff guidance). 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 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. In the event that W Capital determines that it has a material conflict of interest in connection with a proxy voting matter, W Capital will disclose the conflict to the relevant Advisory Board and seek instruction or approval as to the vote or take such other action as, in W Capital's judgment, are sufficient to mitigate the conflict and promote a voting decision that is in the W Capital Fund's best interest. 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**

Not Applicable.