

Composition Capital LP
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Form ADV, Part 2A (the “Brochure”)

December 2024

This Brochure provides information about the qualifications and business practices of Composition Capital LP (“Composition”, the “Adviser”, “we”, “us” or “our”). If you have any questions about the contents of this Brochure, please contact Composition at (949) 244-6836. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Composition is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes to Form ADV

Item 4 has been amended to reflect that as of September 30, 2024, we have approximately \$1.086 billion in discretionary assets under management.

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Item 4. Advisory Business

Advisory Firm

Composition is a Delaware limited partnership that was founded in 2024. Composition's principal owners are Leon Chen and Nishita Cummings.

Advisory Services

The Adviser currently provides investment management services and discretionary investment advice as sub-adviser to certain private funds (each, a "Kayne Fund" and, collectively, the "Kayne Funds",) advised by Kayne Anderson Capital Advisors LP ("Kayne Anderson") or it's relying advisers.

Specialization

The investments of each Kayne Fund are sub-advised and managed in accordance with the investment objectives, strategies, and guidelines applicable to each Kayne Fund and are not tailored to any investor in the Kayne Funds (an "Investor/s"). The Adviser does not provide individualized investment advice to such Investors with respect to their investment in the Kayne Fund.

On behalf of the Kayne Funds, the Adviser will generally pursue growth capital investments in technology and tech enablement private companies.

Wrap Fee Programs

The Adviser does not participate in wrap fee programs.

Regulatory Assets Under Management

As of September 30, 2024, the Adviser manages approximately \$1,085,603,473 on a discretionary basis and \$0 on a non-discretionary basis.

Item 5. Fees and Compensation

Compensation for Advisory Services

In general, as sub-adviser to funds managed by Kayne Anderson, Composition receives its sub-advisory fees directly from Kayne Anderson.

The management fee is typically paid quarterly in advance and Composition will bill the client accordingly. The first year payment is a fixed fee ("First Year Payment"). The second year payment is an amount equal to (i) the lesser of the First Year Payment or (ii) the actual net management fee revenues generated by the Kayne Funds subject to a floor amount until the date certain thresholds are achieved. Thereafter, for each annual period from and after the second anniversary, Composition will receive an amount equal to the lesser of (i) a fixed amount per annum or (ii) the actual net management fee revenues (i.e., after giving effect to management fee offsets and discounts).

Composition is a sub-adviser to the Kayne Funds and does not negotiate fees, deduct fees from the accounts of the investors in the Kayne Funds.

Performance-Based Fees

Please see Item 6 below for information regarding performance-based fees received by the Adviser or its affiliates.

The investment strategies employed with respect to the Kayne Funds generally do not involve the purchase or sale of publicly offered securities, and as such, do not typically entail expenses related to brokerage commissions. To the extent applicable, each Kayne Fund generally is responsible for and pays any of its brokerage fees and expenses. See Item 12 below.

Fees Relating to Terminations and Withdrawals

The sub-advisory agreement between Kayne Capital Advisors LP and the Adviser is subject to certain termination provisions. The management fee obligation of the Kayne Funds is generally terminated only upon dissolution of the sub-advisory agreement. In the event of termination of the sub-advisory agreement, any pro-rated portion of the management fees paid in advance of the fiscal period in which such termination occurs would be returned to Kayne Capital Advisors LP.

The Adviser and its supervised persons do not receive a brokerage commission or any other compensation attributable to the sale of securities or investment products.

Item 6. Performance-Based Fees and Side-By-Side Management

Composition receives fees per the schedule described in Item 5. Composition does not currently receive performance-based fees.

Certain supervised persons of the Adviser (“Supervised Persons”) may retain a vested interest in vehicles that may receive carried interest from the Kayne Funds and other private funds advised by Kayne Anderson Capital Advisors, L.P. and/or its affiliates. See Items 11 and 12 below for a discussion of certain potential conflicts of interest that arise from the Supervised Persons’ receipt of performance-based fees. The existence of the carried interest or performance allocation may create an incentive for the Supervised Persons to recommend that the Adviser make riskier or more speculative investments on behalf of the Kayne Funds than would be the case in the absence of these arrangements, although the commitment of capital to the Kayne Funds by the Supervised Persons should reduce this incentive.

Item 7. Types of Clients

Composition serves as the discretionary investment sub-adviser to certain private Kayne Funds. Composition may decide in the future to provide advice to separately managed accounts and to other private funds.

The minimum contribution and investor requirements of the Kayne Funds are set by Kayne Capital Advisors LP and/or its related advisers. The minimum contribution and investor requirements on any future investment vehicles are to be determined.

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

Investment Strategies and Methods of Analysis

The Client Accounts sub-advised by Composition will focus on growth capital investments in technology and tech enablement companies. Composition builds strong operations that deliver both the highest quality outcomes for customers and long-term value investors. Composition's sophisticated and successful investment strategy is based on simple specific criteria: strong entrepreneurship, partnership commitment, strong market reputation, differentiated offerings, and organic growth. Composition Capital offers entrepreneurs a comprehensive approach to partnership and a platform to accelerate the growth path of their companies through industry knowledge and perspective, strategic guidance, big firm resources, and a track record of building must-have assets for strategic and financial buyers. Composition looks to find and invest with the right partner and support them to drive growth and generate significant value creation through organic and inorganic growth initiatives. Composition is primarily focused on North America geographically and attracted to fragmented industries. Composition looks for historical profitability and growth, a sustainable competitive position, a management team committed to longevity and partnership, and favorable growth opportunities. Composition targets companies who are open to bespoke ownership models and have management teams willing to invest alongside us to achieve optimal growth.

The investment strategies summarized above represent Composition's current intentions, are general in nature, and are not exhaustive. There are limitations in describing any investment strategy due to its complexity, confidentiality, and indefinite nature.

Risk Factors

Investing in securities involves the risk of loss that clients and investors should be prepared to bear. Below are brief summaries of some of the risks that clients and investors should consider before investing in any account that Composition manages. Any of, or all, such risks could materially and adversely affect investment performance and the value of any account, or any security held in an account and could cause investors to lose substantial amounts of money. Potential fund investors should review such fund's offering circular carefully in its entirety and consult with their professional advisers before deciding whether to invest. A potential client or fund investor should discuss with Composition's representatives any questions that such a person may have before opening an account or investing in a fund that Composition manages.

Accounts managed by Composition ("Client Account(s)") are expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

The securities in which a Client Account will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to a greater risk of loss. Generally, there may be limited or no collateral to protect the Client Account investment once made. Possible collateral may include cash or cash equivalents, equipment, and intellectual property.

Concentration of Investments: Client Accounts will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a

short period of time. As a result, the Client Accounts' investment portfolios could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, if the capital raised for a Client Account is less than the targeted amount, a Client Account may invest in fewer portfolio companies and thus be less diversified.

Difficulty of Locating Suitable Investments: The activity of identifying, structuring, completing, and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the Adviser or its affiliates will be able to identify, or a Client Account will be able to complete, portfolio investments that satisfy the Client Account's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Client Account will be able fully to invest its committed capital. Furthermore, a Client Account may encounter competition from other entities having similar investment objectives. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partner, the Client Accounts and their respective affiliates.

Market Disruption and Geopolitical Risk: Military conflicts (including those involving Ukraine and Israel) can cause (and have caused) significant disruptions to the global financial system as well as a displacement of millions of people, causing an acute refugee crisis. Conflicts such as these increase the threat of nuclear accidents or attacks, cyberattacks, and further regional or global conflicts (including a potential expansion of the conflicts to other countries), among other potentially dire consequences. With respect to the Russia-Ukraine conflict, in response to Russia's actions, multiple countries and governing bodies, including the United States, the United Kingdom and the European Union, have put in place global sanctions and other severe restrictions or prohibitions on the activities of certain individuals and businesses connected to Russia and/or Belarus. Companies have also implemented restrictions that severely limit, and in some cases, reverse or cancel, business transactions in or involving certain individuals and/or businesses connected to or associated with Russia and/or Belarus. Further, some companies have moved to divest of Russia-based subsidiaries and assets. In addition, the impacts of military conflicts on the supply chain and commodity prices can be profound and may result in substantial inflation in one or more countries (or globally). However, the ultimate impact of the conflicts and their effects on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the clients, their investments or any industry, business, currency or country and the duration and severity of those effects, is impossible to predict. Military conflicts may have a significant adverse impact on, and result in significant losses to, the clients and their investments, which could result in a partial or total loss of investment for investors.

Illiquidity of the Investment: An investment in Client Accounts should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Furthermore, interests in a Client Account may not generally be transferred, sold, assigned, pledged or otherwise encumbered without prior written consent and the volume of transfers permitted in any calendar year may be restricted to comply with certain safe harbors under the tax regulations promulgated under the Code. Voluntary withdrawals from the Client Accounts will not be permitted except in very limited circumstances generally involving situations where retaining an interest in the Client Account would violate certain laws or regulations. In addition, interests in the Client Accounts are not redeemable. There will be no public market for interests in the Client Accounts, and none is expected to develop.

Leverage: The Client Accounts may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including

in respect of companies not rated by credit agencies. This increases the risk of loss for investors.

Performance of Portfolio Companies: Projected operating results of a company in which a Client Account invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. In some cases, the success of a Client Account's investment strategy will depend, in part, on the ability of the Client Account to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty.

Risk of Holding Controlling Interests: The Client Accounts are expected to have controlling interests in most, if not all, of its portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. While the General Partner intends to manage the Client Accounts in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Client Accounts and/or their affiliates cannot be precluded.

A Client Account will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. In those instances where a Client Account is not the sole shareholder of the applicable portfolio company, a board representative will have duties to persons other than a Client Account. Serving on the board of directors (or similar governing body) of a portfolio company exposes the board representative, and ultimately a Client Account, to potential liability. It is not guaranteed that all portfolio companies will obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

The Client Accounts are authorized to hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights.

Economic Conditions: Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. This may slow the rate of future investments by Client Accounts and result in longer holding periods for investments. Furthermore, such uncertainty or a general economic downturn may have an adverse effect upon the Client Accounts' portfolio companies. The private equity industry generally and the success of the Client Accounts' investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances.

The ability of the Client Accounts and the portfolio companies to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. As a result, the Client Accounts' ability to realize their investments at favorable times and/or for favorable prices may be negatively impacted, one effect of which may be longer-than-anticipated holding periods for investments.

Valuation of Securities: There is not expected to be an actively traded market for most of the

securities owned by the Client Accounts. When estimating fair value, the Adviser will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold.

Conditions in the Technology and Tech Enablement Sectors: The Client Accounts' investments will likely be concentrated in technology and tech enablement companies as described above. Several factors contribute to challenging conditions for businesses in these sectors, including (i) significant competition from other investors (ii) skills of the individual portfolio companies and their ability to run businesses; Some or all of the Client Account's portfolio companies will compete in this volatile environment, and such competition may result in significant downward pressure on the prices of such portfolio companies' products and/or services. As a result of the likely concentration of Client Accounts' investments in these sectors, any instability, fluctuation or general decline in these sectors will likely not be offset by investments in other industries not similarly affected.

Cybersecurity: The computer systems, networks, and devices used by affiliated entities and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. As a result, the Client Accounts and their investors could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches would cause disruptions and impact business operations, potentially resulting in financial losses.

The above is only a summary of some of the important risks that an investor may encounter. Before deciding to become a Composition client or invest in a vehicle that Composition manages, you should carefully consider all of the risk factors and other information in the relevant governing documents.

Item 9. Disciplinary Information

The Adviser, its partners, and its employees have not been involved in any legal or disciplinary events that Composition believes should be material to an investor's evaluation of Composition or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Neither Composition nor its management persons are registered, or have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or a commodity trading adviser.

Partners and employees of the Adviser may serve as directors of certain portfolio companies owned by the Kayne Funds and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Kayne Funds, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the Adviser and such individual's duties as a director of such portfolio company.

Composition does not recommend or select other investment advisers. For a description of certain material conflicts of interest created by these relationships, please see Item 11 below.

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

The Adviser's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 under the Advisers Act. The Code applies to the Adviser's "Access Persons." Access Persons include any member, officer or director of Composition and employee of Composition who, in relation to the Advisory Clients: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. In addition, certain other individuals, such as temporary employees or independent contractors are deemed to be Access Persons by the Chief Compliance Officer in certain cases.

The Code sets forth a standard of business conduct that addresses the Adviser's status as a fiduciary to its advisory clients and requires Access Persons to place the interests of advisory clients above their own interests and the interests of Composition. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Composition's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Adviser's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, the Adviser's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes the Adviser's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, Access Persons who possess material non-public information about public companies must not trade in the securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Certain transactions may involve conflicts of interest between the Adviser and the Kayne Funds. To address potential conflict of interest transactions (among other matters), Composition has adopted policies and procedures to mitigate any potential conflicts of interest. The Chief Compliance Officer is responsible for monitoring conflicts of interest. Although relevant potential conflicts of interest are disclosed, there can be no assurance that Composition will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Client Accounts.

A copy of the Code will be provided to any client or prospective client upon request.

Item 12. Brokerage Practices

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser reserves the right to distribute securities to investors in such Client Account or sell such securities, including through using a broker-dealer, including when a public trading market exists. Although the Adviser does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If an Adviser sells publicly traded securities for a Client Account, it is responsible for directing orders to broker-dealers to affect securities transactions for accounts managed by such Adviser. In such an event, the Adviser will seek to select brokers based on best price and execution capability. In selecting a broker to execute client transactions, the Adviser reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

An Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although an Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser of a Client Account seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them or a designated third party, as well as for services rendered in the execution of orders by such broker or dealer, although the Adviser generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all the Adviser’s clients. However, each and every research service may not be used for the benefit of each and every client of the Adviser (and may benefit the Adviser, as it may not have to pay for such services out of its own resources), and brokerage commissions paid by one Client Account may apply towards payment for research services that might not be used in the service of such Client Account.

The Adviser will employ no agreement or formula for the allocation of brokerage business based on research services and will not attempt to put a specific dollar value on services rendered. The Adviser expects on occasion to determine which brokers have provided research that has been helpful in the management of clients. To the extent consistent with the Adviser’s goal to obtain best execution for their clients, the Adviser reserves the right to seek to place a portion of the trades that it directs with the brokers who are identified through this process.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. From time to time, the Adviser expects, but is not obligated, to purchase or sell securities for several Client Accounts at approximately the same time. Such orders may be combined or “batched”; however, the Adviser generally does not expect to do so. To the extent such orders are

not batched, they may have the effect of increasing brokerage commissions or other costs.

Item 13. Review of Accounts

Client Accounts are carefully reviewed by portfolio managers, Leon Chen and Nishita Cummings, on an ongoing basis. Composition generally maintains an ongoing oversight position in its portfolio companies. Investments are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities.

Item 14. Client Referrals and Other Compensation

Composition, its personnel and/or its affiliates may provide certain business or consulting services to a Client Account's portfolio companies and may receive compensation from these companies in connection with such services in addition to the management fee. Such compensation and any related expense reimbursements are generally not subject to a Client Account's management fee offset.

Item 15. Custody

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Composition as sub-adviser to the Kayne Funds does not have custody of the assets held by the Kayne Funds.

Item 16. Investment Discretion

Composition has full discretionary authority subject to the limits and restrictions of the relevant sub-advisory agreements. Investment advice is provided directly to each Kayne Fund and not individually to the Limited Partners of any Kayne Fund. Investment restrictions for the Kayne Funds are generally set forth in the respective governing documents of the Kayne Funds. Investors generally may not impose additional restrictions on the management of the Kayne Funds. Pursuant to the terms of the applicable governing documents, however, a Fund or Kayne may enter into side letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in such Kayne Fund may be altered or varied.

Item 17. Voting Client Securities

Client Accounts will primarily invest in private companies that typically do not seek proxies. When the Adviser receives proxies in connection with its publicly traded Portfolio Companies, the Adviser will exercise the proxy vote in the best interest of the Client Accounts, taking into consideration all relevant factors, including without limitation, acting in a manner that the Adviser believes will: (i) maximize the economic benefits to the Client Accounts; and (ii) promote sound corporate governance by the issuer. Whenever Composition is required to exercise a vote for a privately held Portfolio Company, the same standards and procedures shall apply.

The Adviser may seek and accept the election of representatives of the Adviser to serve on the board of directors of a Portfolio Company on behalf of a Client Account and will typically, but not always, vote in favor of board recommendations. In situations where the Adviser is required to vote the proxy for a company in which partners or employees of Composition serve on the board of directors, Composition has determined that this does not inherently present a conflict of interest, as the purpose of this representation is to maximize the return for the applicable Client Account's investment in such company. Accordingly, while Composition is generally, but not automatically, fully supportive of recommendations made by a company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting policies and may or may not vote in favor of the board's recommendation. In addition, in situations involving minority or co-sponsor relationships, Client Accounts are frequently party to a shareholders agreement governing voting on matters such as the election of designated directors for the respective investor groups. Further, in situations where Composition decides to abstain from voting, the rationale will be documented internally by the Adviser. Composition has adopted written policies and procedures governing the proxy voting process and addressing conflicts of interest that may arise in connection with voting proxies. Composition may, however, vote in a manner that is contrary to the general guidelines if it believes that it would be in a Client Account's best interest to do so. In addition, Composition may have the opportunity, but generally does not direct the Client Accounts' participation in class actions.

Item 18. Financial Information

Composition does not require or solicit prepayment of management fees more than six months in advance, has never filed for bankruptcy, and is not aware of any financial condition that could affect its ability to manage Client Accounts.