

**Item 1 Cover Page**

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This brochure provides information about the qualifications and business practices of SWS Capital Management, LLC (“SWSCM” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 212-461-6017 or swscm@swscapitalmanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

SWS Capital Management, LLC is an SEC-registered investment adviser. Registration does not imply a certain level of skill or training.

## **Item 2 Material Changes**

This section covers only material changes that have occurred since the last annual update. The date of the last annual update of this ADV Part 2A brochure (“Brochure”) was March 31, 2023. Material changes to this Brochure include updates to Items 4, 5, 7, 8, 10, 13, and 15 to reflect the management of a new private fund client.

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## **Item 4 Advisory Business**

SWS Capital Management, LLC (“SWSCM” or the “Adviser”) is a Delaware limited liability company formed in December 2001. SWSCM’s registration with the United States Securities and Exchange Commission (the “SEC”) became effective in September 2002. SWSCM is a wholly owned subsidiary of Shank Williams Cisneros, LLC. Shank Capital Group, LLC is a member of Shank Williams Cisneros, LLC. Suzanne Shank-Werdlow is a super majority member of Shank Capital Group, LLC. Christopher J. Williams is SWSCM’s Chief Executive Officer (“CEO”).

SWSCM focuses primarily on cash management and fixed-income strategies. The Adviser provides discretionary fixed-income advisory services for institutional investors through separate accounts. The separate accounts include cash strategies and fixed income portfolios. The portfolios are benchmarked against government and corporate indexes. The funds in each account are managed according to the client’s guidelines. Separate account clients may impose restrictions on investing in certain securities or types of securities.

SWSCM also serves as the investment manager of two private funds, Clear Vision Impact Fund, LP (“Clear Vision”) and New York Social Equity Cannabis Investment Fund, L.P. (“NYSECIF”). Each a “Fund” and together the “Funds.”

Clear Vision is a Delaware limited partnership. Clear Vision makes investments in sustainable minority-owned businesses, businesses that operate in or serve underserved markets, and businesses that foster inclusive growth through commercially sustainable business models. Clear Vision’s investment strategy consists of originating loans to small and medium-sized businesses, investing in equity capital issued in connection with debt investments where appropriate, and providing strategic advice where appropriate to enhance operational performance of portfolio companies.

NYSECIF is a New York limited partnership formed in cooperation and coordination with the Dormitory Authority of the State of New York (“DASNY”) for the purpose, among other things, of financing the initial build-out of storefront conditional adult-use retail dispensaries in New York State. DASNY and NYSECIF’s general partner are the only limited partners of the Fund.

In addition, SWSCM also provides fixed-income investment management services to a third-party investment adviser. SWSCM does not have any regulatory assets under management attributable to this client.

Overall, the Adviser is flexible and willing to tailor its service to client needs within fixed income asset management.

SWSCM does not participate in wrap fee programs.

As of December 31, 2023, SWSCM managed approximately \$459M on a discretionary basis and \$38M on a non-discretionary basis.

## **Item 5 Fees and Compensation**

The Adviser is compensated on a percentage of assets managed basis.

*Separate Account Client*

Depending on the investment strategy, fees for separate account clients are expected to range from 0.20% to 0.35% of average net assets for assets up to \$25 million, 0.15% to 0.30% from \$50 to \$100 million and 0.10% to 0.25% over \$100 million. Fees generally are payable quarterly in arrears. During negotiations for opening a separate account, the Adviser presents the standard fee schedule. Fees are negotiable to all potential clients. With existing client contracted mandates in place, fees are already established.

#### *Clear Vision*

Subject to certain reductions described in Clear Vision's partnership agreement, Clear Vision pays SWSCM an annual management fee of one- and one-half percent (1.50%), which shall be reduced to three quarters of a percent (.75%), payable in advance on a quarterly basis. If Clear Vision is wound down before the end of a billing period, SWSCM will determine how pre-paid fees may be refunded and will likely return the portion of fees proportionate to the amount of time remaining in the period.

Clear Vision reimburses its general partner for certain Clear Vision organizational and startup expenses, including without limitation, legal, accounting, filing, printing, travel and other out-of-pocket expenses. Clear Vision is responsible for all costs and expenses that are not paid or reimbursed in connection with Clear Vision's business pursuant to its governing documents.

Greater detail regarding fees and expenses, as well as other important information regarding an investment in Clear Vision is more fully set forth in its governing documents.

#### *NYSECIF*

NYSECIF pays certain fees and reimburses certain expenses in accordance with the relevant limited partnership agreement.

#### *Other Fees or Expenses in Connection with Advisory Services*

Depending on the arrangements with the Adviser and third-party service providers, separate accounts may pay for administrative and custodial services and brokerage and other transaction costs.

Please also see "Brokerage Practices" in Item 12 below.

#### *Compensation from the Sale of Securities or Other Investment Products*

The Adviser and the Adviser's supervised persons who manage client assets day-to-day do not accept compensation from the sale of securities or other investment products.

As noted below in Item 10, SWSCM's CEO, Christopher J. Williams, is a registered representative of Siebert Williams Shank & Co., LLC (CRD#: 42568/SEC#: 8-49877), a registered broker-dealer ("SWS"). SWS is under common control with SWSCM. Through his work for SWS, Mr. Williams is effectively compensated for the sale of securities or other investment products. SWSCM does not view this as a conflict of interest since Mr. Williams is not involved with the day-to-day investment advisory or trading activities of the Adviser. Generally, as a matter of policy, the Adviser does not effect client portfolio transactions with SWS. The Adviser, however, may in some instances do so, but only on an agency basis and based on the Adviser's duty to seek best execution.

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

The Adviser and its supervised persons do not earn performance-based fees. Distributions to investors in Clear Vision are subject to carried interest distributions for the benefit of Clear Vision's general partner. Generally, these profit allocations represent a share of distributions made by Clear Vision in excess of the relevant investors' invested capital, allocable fees and expenses and after a preferred return hurdle has been achieved as more fully described in the governing documents of Clear Vision. Carried interest distributions may be applied each time an investment is realized or at such other times as determined by Clear Vision's general partner and are generally subject to a general partner clawback provision.

## **Item 7 Types of Clients**

The Adviser provides discretionary fixed-income investment advisory services to institutional clients through separate accounts. The adviser negotiates separately with each separate account client regarding minimum acceptable account size. Normally, the minimum account size is \$15 million.

As mentioned in Item 4, SWSCM serves as fund manager of the Funds pursuant to their relevant investment management agreements. Clear Vision and NYSECIF are closed and no longer accepting any new investors.

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

### *Methods of Analysis and Investment Strategies*

The Adviser focuses primarily on cash and fixed-income strategies.

The Adviser's philosophy is to find value opportunities in various sectors rather than seeking to predict the directionality of interest rates. In the management of cash, enhanced cash and short-term assets, the team of professionals utilizes a low-risk investment approach that seeks to maximize liquidity, preserve capital and add value through sector and security selection as client investment guidelines require and permit.

The investment strategy of Clear Vision consists of originating loans to small and medium-sized businesses, investing in equity capital issued in connection with debt investments where appropriate, and providing operational advice to enhance operational performance of portfolio companies. This investment strategy seeks to support companies that foster inclusive growth through commercially sustainable business models, address the capital access gap facing certain communities, effectuate impact-producing strategies in addition to providing capital to established businesses. Clear Vision's objective is to make investments in women- and minority-owned businesses, businesses that operate in or serve underserved markets, and businesses that foster inclusive growth through commercially sustainable business models. Investments seek to support growth and expansion of businesses.

NYSECIF was formed in cooperation and coordination with DASNY for the purpose, among other things, of financing the initial build-out of storefront conditional adult-use

retail dispensaries in New York State (“Dispensaries”) for operation by social equity licensees (“Social Equity Licensees”) selected by the state to receive licenses to own and operate Dispensaries. A principal goal in the establishment of the Fund is to benefit communities and people disproportionately impacted by prior laws by promoting and facilitating Social Equity Licensees to have access to financing and training to help start their businesses. DASNY and NYSECIF’s general partner are the only limited partners of the Fund.

### *Material Risks*

Investing in securities involves risk of loss that separate account clients should be prepared to bear.

The material risks involved in the cash and fixed-income strategies are interest rate and yield curve risk, sector risk and credit risk.

- *Interest rate and yield curve risk.* The separate account holder runs the risk of declining market value in a rising interest rate environment.
- *Sector risk.* The separate account holder runs a similar risk of declining market value if a sector should fall out of favor.
- *Credit risk.* A decline in market value may affect near term returns but not the return of principal as long as the ability to repay investors has not deteriorated. Credit risk, in contrast, involves the potential loss of principal, if the borrower’s ability to repay is impaired

The Adviser works with clients to develop guidelines suitable to their risk tolerance.

The Adviser primarily recommends high grade securities. Most of its portfolios consist of U.S. government and agency securities. Guidelines of accounts that invest in corporate bonds have been for high grade corporate bonds. U.S. government and agency securities are generally considered to have the lowest credit risk, although they can have interest rate risk depending on the interest rate environment. High grade corporate securities have more risk than U.S. government and agency securities, which would subject them to more credit risk.

The Adviser’s strategies do not have significant or unusual risks and do not involve the frequent trading of securities. The securities recommended do not involve significant or unusual risks in comparison to the available universe of fixed income securities.

In considering participation in Clear Vision, an investor should be aware of certain risk factors, which include, but are not limited to, the following:

### Select Fund Related Risks

- **Performance.** The past performance and the performance of prior investments of any of SWSCM’ or SWSCM’ affiliates’ principals are not necessarily indicative of future results. While SWSCM intends for Clear Vision to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.
- **No Withdrawal.** An investment in Clear Vision should be viewed as illiquid.

- Use of Leverage. When available or appropriate, Clear Vision may use leverage as part of its investment strategy. The use of leverage will increase the volatility of Clear Vision.
- Failure to Achieve Investment Objective. SWSCM may not be able to identify and obtain a sufficient number of investment opportunities to invest the full amount of capital that may be committed to Clear Vision. Among other factors, the returns on investments available in the marketplace are a function of the supply of investment opportunities and the amount of capital investing in such opportunities. Even where sufficient opportunities are identified, there is no guarantee they will be allocated to Clear Vision. There can be no assurance that Clear Vision will be able to generate returns for its investors or that returns will be commensurate with the risks of the investments. Clear Vision may not be able to achieve its investment objectives and investors may lose some or all of their investment.
- In its discretion, the general partner and/or Clear Vision may enter into side letters with one or more investors. These side letters may entitle an investor to make an investment in Clear Vision on terms other than those described in its governing documents. Any such terms may be more favorable than those offered to any other investors. If the general partner and/or Clear Vision enter into a side letter entitling an investor to opt out of a particular investment or withdraw from Clear Vision, any election to opt out or withdraw by such investor may increase any other investors' pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal).

#### Select Investment Related Risks

- General Business Risks. Clear Vision's investment portfolio will consist primarily of senior secured debt obligations and other securities that have significant risks as a result of business, financial, market or legal uncertainties. Such investments involve business and financial risks that can result in substantial losses and investors may lose their entire investment.
- Potential Public Health Crisis. A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent outbreak of Coronavirus (or COVID-19) globally, could have an adverse impact on global, national and local economies, which in turn could negatively impact Clear Vision.
- Non-Controlling Investments. SWSCM anticipates that Clear Vision will principally hold debt obligations and other non-controlling interests in portfolio companies and, therefore, Clear Vision will have a limited ability to protect its position through the operation of such portfolio companies. Although SWSCM will monitor the performance of each investment, it primarily will be the responsibility of a portfolio company's management to operate the portfolio company on a day-to-day basis. Although SWSCM generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.
- Credit and Interest Rate Risks of Debt Securities. Debt portfolios are subject to credit and interest. "Credit risk" refers to the likelihood that an issuer will default



in the payment of principal and/or interest on an instrument. “Interest rate risk” refers to the risk associated with market changes in interest rates.

- Investment and Trading Risks. SWSCM has broad discretion in making investments. Clear Vision will make investments in sustainable minority-owned businesses, with an emphasis on African American and Latinx businesses that operate in or serve underserved markets, and businesses that foster inclusive growth through commercially sustainable business models. All of these investments have significant risks as a result of business, financial, market or legal uncertainties. There can be no assurance that SWSCM will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Clear Vision’s investments. Prices of Clear Vision’s investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of Clear Vision’s activities and the value of the investments. Clear Vision’s performance over a particular period may not necessarily be indicative of the results that may be expected in future periods or over the long term.
- Borrower Fraud. Of paramount concern in originating loans is the possibility of material misrepresentation or omission on the part of borrowers or guarantors. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of Clear Vision to perfect or effectuate a lien on the collateral securing the loan. Clear Vision will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED ASSOCIATED WITH SWSCM’ INVESTMENT ANALYSIS AND INVESTMENT STRATEGIES. SUBSTANTIAL ADDITIONAL RISKS MAY BE PRESENT. PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT.**

### **Item 9 Disciplinary Information**

The Adviser has no legal or disciplinary events to report that would be material to a client’s or prospective client’s evaluation of the Adviser’s advisory business or the integrity of its management.

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

Christopher J. Williams, Keith Lathan, Aaurshi Das, and DiAnne Calabrisotto are supervised persons of SWSCM and are registered representatives of Siebert Williams Shank & Co., LLC (CRD#: 42568/SEC#: 8-49877), a registered broker-dealer (“SWS”). SWS is under common control with SWSCM. Generally, as a matter of policy, SWSCM does not effect client portfolio transactions with SWS. SWSCM, however, may in some instances do so, which creates a conflict of interest. However, in the occasional instances

in which SWSCM uses SWS in this manner, it does so only on an agency basis and based on the Adviser's duty to seek best execution.

The general partner of Clear Vision is Clear Vision Impact Fund I, G.P., LLC, a Delaware limited liability company. The general partner manages and controls the business and affairs of Clear Vision. SWSCM and the general partner are under common control.

The general partner of NYSECIF is Social Equity Impact Ventures GP I, LLC, a Delaware limited liability company. The general partner manages the Fund on a day-to-day basis in accordance with the terms and conditions of the relevant limited partnership agreement. SWSCM and the general partner are under common control.

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

### *Description of the Code of Ethics; Personal Trading*

SWSCM seeks to foster and maintain a reputation for integrity and professionalism. As a result, any activity which (1) creates even the suspicion of misuse of material non-public information by SWSCM or any of its personnel, (2) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any client or investor or (3) creates any actual or potential conflict of interest, or even the appearance of a conflict of interest, between any client or investor, on the one hand, and SWSCM or any of its personnel, on the other hand, must be avoided.

SWSCM has adopted a Code of Ethics that sets forth standards of ethical and business conduct expected of the Adviser's personnel and addresses conflicts that may arise from personal trading by the Adviser's personnel. The Code of Ethics, among other things, requires compliance with the federal securities laws, reflects the Adviser's fiduciary responsibilities and those of its advisory personnel, requires the Adviser's personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions and addresses prevention of the misuse of material non-public information. Personal trading reports are reviewed by the Adviser's Chief Compliance Officer. The Code of Ethics will be provided to any client or potential client upon request.

Adviser personnel may invest in the same securities, or related securities, that Adviser buys and sells for clients, but not transact in that security at or about the same time. Such personal trading could create a conflict of interest (*e.g.*, the possibility of "front running"), if such person's transaction would disadvantage or appear to disadvantage the client. Among other restrictions in the Code of Ethics, any transaction in a security in which the Adviser employee knows or has reason to believe is being purchased or sold, or is being considered for purchase or sale, by a SWSCM client is prohibited until the client's transaction has been completed or consideration of such transaction is abandoned. Any personal transaction in a security during the period which begins seven days before and ends with seven business days after any SWSCM client has traded in that security is prohibited. Additionally, acquisition of any security included in the Restricted List maintained by SWSCM is prohibited. SWSCM does not buy any securities for its own account.

The Adviser does not recommend to clients securities in which the Adviser or a related person has a material financial interest.

#### *Principal and Cross Trades*

As a matter of policy, the Adviser does not engage in “principal” and “cross” trades. In the unforeseen circumstance that Adviser does undertake such trades, the portfolio managers must seek the authorization of the compliance officer.

### **Item 12 Brokerage Practices**

The Adviser selects broker-dealers based on execution, competitive pricing and research services. Since the Adviser’s business is fixed income management, spread is paid within the posted bond prices, not a per share commission price. The Adviser compares security prices of various broker-dealers and selects the most competitively priced.

#### *Research Benefits*

Subject to obtaining best price and execution, the Adviser may consider the provision of research as one factor in selecting brokers or dealers. Research services and products include publications or reports identifying the value and advisability of specific securities. They may also report on macro and micro economic factors and overall portfolio strategy.

The Adviser currently has no soft dollar arrangements. However, the Adviser may use full-service broker-dealers that provide research to most, or all, of their customers, without being requested to do so, and the Adviser may on occasion receive and use research provided by these broker-dealers. When this occurs, the Adviser receives a benefit because it does not have to produce or pay for the research. The Adviser may have an incentive to select broker-dealers based on its interest in receiving the research or other products or services, even though no soft dollar arrangements are in place, rather than on the Adviser's clients’ interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided by most broker-dealers with which the Adviser deals, the Adviser's receipt of such research does not have a material effect on its selection of broker-dealers. The Adviser does not separately compensate such broker-dealers for the provision of such services and does not believe that it “pays up” for such services. The research received is used for the benefit of all SWSCM clients.

#### *Client Referrals*

The Adviser does not consider, in selecting or recommending broker-dealers, whether the Adviser or a related person receives client referrals from a broker-dealer or third party

#### *Directed Brokerage*

The Adviser does not routinely recommend, request or require that a client direct the Adviser to execute transactions through a specific broker-dealer. The Adviser will permit a client to direct brokerage, which may cause the Adviser to be unable to achieve most favorable execution and can result in additional cost to the client. For example, in a directed brokerage account, the client may pay higher transaction costs because the Adviser may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. The directed business that the Adviser has undertaken to date has involved

dedicating a percentage of client trading within a separate account to minority-owned brokerage firms.

#### *Trade Aggregation*

The Adviser will aggregate trades for client portfolios whenever there is the opportunity to do so. The Adviser aggregates trades to sell a security if the credit outlook deems it a sell, if the price of the security is attractive to sell given the pertinent clients' guidelines or if similarly managed portfolios are being restructured. The Adviser will aggregate security purchases whenever the security is deemed suitable to the pertinent portfolios and when cash levels in the portfolios permit the purchase.

The Adviser will determine in advance its proposed allocation of transactions among client accounts. Ultimately, each client that participates in an aggregate order will pay or receive the average price and any *pro rata* transaction charges. If an aggregate order is not executed in its entirety on a given day, securities purchased or sold on that day will be allocated to clients on a *pro rata* basis. In all circumstances, each portfolio's specific needs for liquidity, duration or weighted average days, credit quality and asset allocation requirements will weigh in the allocation decision.

#### *Trade Errors*

Trade errors made by the Adviser must be corrected at no loss or benefit to the investment advisory client unless the agreement with the client as to benefits or netting only provides otherwise.

### **Item 13 Review of Accounts**

#### *Review of Accounts*

The Adviser provides discretionary fixed-income investment advisory services for institutional investors through separate accounts. This service includes continuous evaluation of a client's portfolio and purchases and sales of securities to ensure compliance with client investment guidelines. Since the Adviser actively manages institutional portfolios, the portfolio manager reviews them daily.

#### *Reports to Clients*

Reviews or reports are at least quarterly, but may be monthly or, in some cases, more frequently according to client needs. Each portfolio manager is charged with reviewing and reporting his or her portfolios. These reports are reviewed by the chief compliance officer and/or senior management before they are sent.

SWSCM writes individual reports for each client. The typical monthly or quarterly report includes a portfolio's positions, a list of securities sold and purchased in the case of a separate account portfolio, performance statistics, a review of the period written by the portfolio manager and any other required documentation

Clients receive quarterly written reports. Client reports contain information required by the investment advisory agreement and include the portfolio's market value, monthly, quarterly and annual returns, and any additional required information.

The Adviser provides written periodic financial reports, such as audited annual financial statements to the investors in the Funds.

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

No one who is not a client provides an economic benefit to the Adviser for providing investment advice or other advisory services to the Adviser's clients.

The Adviser and its related persons do not currently compensate any person directly or indirectly for client referrals but may do so in the future.

#### **Item 15 Custody**

The Adviser does not have custody of client funds or securities with respect to its provision of services to separate accounts.

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds by virtue of the common control of the Adviser and the general partner of each Fund. All assets and securities of the Funds are held by qualified custodians. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

#### **Item 16 Investment Discretion**

The Adviser has discretionary authority to determine the type, amount and price of securities or investments to be bought and sold on behalf of clients, exercised within client defined guidelines. Such guidelines are developed at the time a contract is drawn up with each client.

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

The necessity for and authority to vote a client's securities is determined at the time the client and the Adviser enter into an investment advisory contract. The Adviser votes proxies for each client, including any fund, that has specifically authorized the Adviser to vote its proxies in the investment management contract or otherwise.

Generally, the Adviser divides proxies into routine matters and non-recurring or extraordinary matters. It is the Adviser's general policy, absent a particular reason to the contrary, to vote with management's recommendations on routine matters. For non-recurring extraordinary matters, the Adviser votes on a case-by-case basis, generally following the policies for such matters detailed below. If there is a non-recurring extraordinary matter for which there is no policy detailed in the Adviser's proxy voting policies, the Adviser votes on a case-by-case basis in accordance with the general guidelines set forth in its policies. In the event the shares that are the subject of a proxy vote are subject to a voting (or similar) agreement, such agreement shall supersede these policies and the Adviser shall vote the relevant shares in accordance with such agreement.

In furtherance of the Adviser's goal to vote proxies in the best interests of clients, the Adviser follows procedures designed to identify and address material conflicts that may arise between the Adviser's interests and those of its clients before voting proxies on behalf of such clients.

The Adviser will give clients a written report regarding how the Adviser voted their securities as part of a regular review, unless guidelines specify otherwise. Clients may obtain a copy of the Adviser's proxy voting policies and procedures upon request.

### **Item 18 Financial Information**

The Adviser does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.