

**ITEM 1 – COVER PAGE**

**PART 2A OF FORM ADV: FIRM BROCHURE**

March 2024

**BW Asset Management Ltd.  
Level 3, 90 N Church St  
George Town  
Grand Cayman, Cayman Islands**

*This brochure (this “Brochure”) provides information about the qualifications and business practices of BW Asset Management Ltd. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Gizelle Jancovic at 312-697-4523 or [gizelle.jancovic@kroll.com](mailto:gizelle.jancovic@kroll.com).*

*The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.*

*BW Asset Management Ltd. is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*Additional information about BW Asset Management Ltd. is available on the SEC’s website at: <https://adviserinfo.sec.gov/>.*

## **ITEM 2 - MATERIAL CHANGES**

There have been no material changes since the initial brochure filing by BW Asset Management Ltd. in September of 2023.

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## **ITEM 4 - ADVISORY BUSINESS**

This Brochure generally includes information about the Investment Adviser, whose office and principal place of business is located outside of the United States, and its relationships with its United States domiciled Clients (each, as defined below) and affiliates. Although much of this Brochure applies to all such Clients and affiliates, certain information included herein may apply only to specific Clients or affiliates only.

### **A. General Description of Advisory Firm**

BW Asset Management Ltd. ("BW," the "Investment Adviser" or "we"), a Cayman Islands exempted limited liability company with its principal office in George Town, Grand Cayman, Cayman Islands, was established the 6<sup>th</sup> day of June 2013 and is 100% held by Borrelli Walsh Asia Limited, a British Virgin Islands corporation whereby Cosimo Borrelli, Jason Aleksander Kardachi and Mitchell Wayne Mansfield, as individuals, hold positions of senior managing members and/or are board of directors.

The Investment Adviser provides investment advisory services and to act as liquidation, wind-down and/or interim manager in special situations by providing investment advisory, financial advisory and restructuring services to United States domiciled pooled investment vehicles, registered investment companies, liquidating trusts, special purpose vehicles and issuers (collectively "Clients") across a wide range of investment strategies, asset classes, industries and geographies. The Investment Adviser's general strategy is to assume the investment management and advisory responsibilities with respect to Clients: (i) that were established and previously managed by another investment adviser that no longer wishes, or is unable, to continue providing services to the Client; or (ii) where the Client (or its stakeholders) has taken action to replace the existing investment adviser because the Client is winding down or requires other specialized advice and support to deal with the disposal of complex or illiquid assets, internal and external investigations, commercial disputes and/or other special situations. Client assets include, but are not limited to, debt and/or equities, other securities, instruments, agreements and investments (the "Collateral") and liabilities secured by the Collateral (the "Notes"). For each Client, BW will enter into a separate investment management/advisory agreement and/or other agreement with the person or entity acting in the capacity of manager, managing member,

general partner, financial advisor, fund liquidators, liquidating trustee or director of the Client (together the “Investment Management and Advisory Agreement”), which will outline general duties, representations and warranties, compensation, liability and indemnification of the advisory team members.

In certain circumstances, an employee, officer, director, or affiliate of the Investment Adviser may serve as the manager, managing member, general partner, liquidating trustee, or similar position of a Client.

## **B. Description of Advisory Services**

BW provides discretionary, and occasionally may provide non-discretionary, investment advice and services primarily in the context of assisting its Clients realize investment portfolios, reduce or eliminate their exposure to potential liabilities and return capital to investors in a timely and orderly manner. Typically, the Investment Adviser is engaged when a Client is seeking to wind down its operations and/or becomes stressed or distressed from issues such as illiquidity, underperformance, allegations of fraud or wrongdoing, regulatory action or another special situation. In these circumstances, a Client will require a replacement adviser to take control of the situation, assess all available options and possible solutions, identify and manage existing and potential risks, and take appropriate action and decisions to maximize the return to the Client’s stakeholders and minimize downside.

## **C. Availability of Customized Services for Individual Clients**

The Investment Adviser’s investment decisions and advice with respect to each Client are subject to each Client’s investment objectives, restrictions and guidelines, as set forth in the Client’s governing documents, which may include private placement or offering memoranda, articles of association, limited partnership agreements indenture/pooling and servicing agreements, and collateral administration agreements or other relevant constitutional documents (the “Governing Documents”), as the case may be. The advice will also be tailored depending on the circumstances of each Client and will be documented in each Client’s Investment Management and Advisory Agreement.

#### **D. Assets Under Management**

As of December 30, 2023, The Firm manages \$83,922,548.70 in regulatory assets ("RAUM"), all on a discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

Fee Arrangements vary by matter and Client and are subject to the specific provisions in each Investment Management and Advisory Agreement.

### A. Advisory Fees and Compensation

The fees applicable to each Client are set forth in detail in each of BW's Investment Management and Advisory Agreements and/or the Client's Governing Documents (including any side letters between the Client and its underlying investors).

The fees applicable to each individual Client will generally be based upon pre-existing fee structures in place with respect to the Client's prior investment adviser and/or its affiliates and may be adjusted or modified based upon the specific activities required for each Client as set forth in the applicable Investment Management and Advisory Agreement. However, fees are generally expected to take the form of either or both:

1. **Management Fee.** The Management Fee is generally calculated as a percentage of assets under management or alternatively may be agreed as a fixed fee or another arrangements agreed in the applicable Investment Management and Advisory Agreement. Management Fees will generally be assessed monthly or quarterly, in advance or in arrears, and deducted from the assets of the Client funds managed by the Investment Adviser. Management Fees collected in advance will be refunded to Client pursuant to the termination provisions of the governing documents which could differ for each Client; and/or
2. **Performance Fee.** The Performance Fee, if applicable, is a conditional compensation subject to performance of the Client for any given year or portion thereof. For further information regarding the Performance Fee, please see Item 6.

The Investment Adviser may waive all or part of any of these fees in respect to any Client by rebate or otherwise and all fees are subject to negotiation.

## **B. Retainer Fees**

The Investment Adviser reserves the right to charge a retainer fee (which may be paid in advance, provided, that in no event will such fees be paid more than six months in advance) to certain Clients, which will be individually negotiated between the Investment Adviser and any such Client.

## **C. Additional Fees and Expenses**

The Investment Adviser generally pays the expenses and costs that it incurs in connection with carrying out advisory services, including its operating, rent, utilities and similar overhead expenses, in addition to the compensation of its employees. However, Clients are generally required to reimburse the Investment Adviser subject to, and depending on the terms of the relevant Investment Management and Advisory Agreement and the Governing Documents of the Client, for their operating and other expenses that the Investment Adviser incurs with respect to such Client, which may include, without limitation, expenses directly or indirectly related to its operations and trading transactions and positions for its account, such as the Management Fee and investment management expenses, interest expense, brokerage commissions, custodial fees, research and due diligence fees and expenses (including any research and/or due diligence related travel) and materials (including online news and quotation services, computer hardware and software used for research, Bloomberg service, etc.), order management systems, withholding and transfer taxes imposed on it, blue sky fees, initial and periodic legal, audit, administration and accounting fees and expenses, investor reporting costs, insurance expenses, consulting fees and expenses, professional fees and expenses, and other similar fees and expenses.

Notwithstanding the foregoing, the precise expenses that are reimbursable to the Investment Adviser are set forth in the applicable Investment Management and Advisory Agreement and/or the Governing Documents of each Client and are generally not negotiated by the Investment Adviser. The Investment Adviser fairly allocates such reimbursable expenses considering economic benefit to Client and pursuant to an expense allocation policy.



#### **D. Additional Compensation and Conflicts of Interest**

As certain vendors and/or service providers may have already been engaged by a Client prior to the Investment Adviser entering into the applicable Investment Management and Advisory Agreement, the Investment Adviser could have conflicts of interests with such pre-existing vendors and/or service providers, which could lead the Investment Adviser to make changes or adjustments to the providers or the provision of services to mitigate the conflicts of interest.

Neither the Investment Adviser nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

Affiliates of the Investment Adviser may receive fees from companies in which the Clients have existing investments for other financial advisory, restructuring and administrative, management and consulting services (including services related to the sale of a company), secondment services of key and delegated personnel (including, without limitation, travel, lodging, relocation expenses and meal expenses) and, occasionally, director, officer and similar fees. These types of fee arrangements present the possibility for a conflict of interest between the Investment Adviser and its Clients. In some cases, the Investment Adviser and its affiliates will forego, postpone or delay payment of these fees. The Investment Adviser has policies and procedures in place to identify, mitigate and disclose conflicts of interest such as these.

See Item 12 for a discussion of the Investment Adviser's brokerage practices.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5, the Investment Adviser may be entitled to a Performance Fee depending on the circumstances of each Client. Performance Fees are usually conditional compensation subject to performance, hurdles and triggers. The Performance Fee can be calculated as an incentive allocation with reference to amounts above a specific benchmark, or the “alpha” above an expected return target, or more simply as a fixed “success” fee. The precise amount and mechanism for charging such fees is different for each Client and may or may not be negotiated by the Investment Adviser directly with the Client.

If the Performance Fee is calculated as a fixed or “success” fee, a specified target return of cash or value (the “Target”) as of a certain date (the “Measurement Date”) will be set forth in the Investment Management and Advisory Agreement. If the value of the Client account as of such Measurement Date is in excess of the Target, the Investment Adviser will be entitled to the success fee.

Generally, the Investment Adviser is engaged by a Client to assist in winding down the Client’s portfolio. Therefore, we typically engage in sales transactions to dispose of assets for a specific Client in accordance with the Investment Management and Advisory Agreement.

Given the Investment Advisors strategy, investment allocation is generally non-applicable. However, when we identify a particular trading opportunity, which could be a purchase or a sale of a security, would be desirable for more than one Client, we generally seek to allocate such opportunity among such Clients in a manner that we deem fair and equitable under the circumstances existing at such time. The factors that we may consider in making such determination include (but are not limited to): the relative amounts of capital in each Client’s account available for new positions of the type at issue; the mandate of each Client account; our perception of the appropriate risk/reward ratio for each Client account; the intended trading strategy of each Client account; the liquidity of each Client account at the time of trading and thereafter; and the overall portfolio composition of each Client account.

Our affiliates may have existing investments in one or more of our Clients. In such case, we may have an incentive to favor the Client(s) in which our affiliates have a greater

economic interest and/or may have a conflict of interest in allocating investment opportunities among those Client accounts and other Client accounts. In order to mitigate these potential conflicts, we will generally follow the documented procedures described above.

Clients should be aware that when the Investment Adviser receives performance-based fees or allocations, or when the Investment Adviser's personnel have any financial incentive to achieve gains in excess of the disincentive to suffer losses, the Investment Adviser and/or such personnel may have an incentive to choose investments or make investment decisions that are riskier or more speculative than might otherwise be chosen. In addition, as the management fees and performance-based fees and allocations are generally based directly on the net asset value of the Clients, the Investment Adviser has a conflict of interest in valuing the assets held in the accounts. The Investment Adviser follows its documented valuation policies, which at times, may be subject to the valuation policies set forth in the applicable Governing Documents of its Clients or as set forth in the Investment Management and Advisory Agreement with each Client, as applicable, and consult with any applicable third-party administrators to the Clients in order to mitigate this risk.

The Investment Adviser may, in its discretion, waive all or part of any of these fees in respect to any Client's account by rebate or otherwise, and all fees may be subject to negotiation.

Performance-based compensation is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act. Accordingly, the Investment Adviser seeks to ensure that the Clients that are directly or indirectly assessed performance-based fees satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

## ITEM 7 – TYPES OF CLIENTS

The Investment Adviser provides investment advisory services to Clients that are registered investment companies, liquidating trusts, pooled investment vehicles (“Funds”) and special purpose vehicles and issuers that are specifically in need of the unique combination of expertise, capabilities and resources of the Investment Adviser.

The minimum account size of any Client accepted by the Investment Adviser will generally be USD 5,000,000, provided that the Investment Adviser may reduce or waive this minimum, in its sole discretion at any time, and may do so for some Clients and not others.

Minimum investment into Clients will vary from Client to Client, although we do not anticipate accepting new capital into any Clients once we have assumed management responsibilities for such Client.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### A. Methods of Analysis and Investment Strategies

The Investment Adviser provides investment advisory services and acts as liquidation, wind-down and/or interim manager in special situations by providing investment advisory, financial advisory and restructuring services to pooled investment vehicles, registered investment companies, liquidating trusts, special purpose vehicles and issuers (collectively “Clients”) across a wide range of investment strategies, asset classes, industries and geographies. The Investment Adviser’s general strategy is to assume the investment management and advisory responsibilities with respect to a variety of types of Clients, including: (i) Clients that were established and previously managed by another investment adviser that no longer wishes to continue providing services to the Clients; or (ii) where the Client (or its stakeholders) has taken action to replace the existing investment adviser because the Client is winding down or requires other specialist advice and support to deal with the management, disposal, restructuring, or maintenance of its assets, internal and external investigations, commercial disputes and/or other special situations. Accordingly, it is possible that the investment strategy of the Client has been pre-determined prior to the Investment Adviser’s engagement.

The Investment Adviser provides discretionary investment advice and services primarily in the context of assisting its Clients to improve their recoveries from investments and/or manage their winding down, in a timely and orderly manner. The level of investment discretion and the scope of services to be provided will be reflected in the Client’s Governing Documents, subject to the provisions of the applicable Investment Management and Advisory Agreement and applicable law. While the range and scope of advisory services will be Client-specific, it typically includes:

- i. Conducting research and credit analytics with respect to the assets of the Client;
- ii. Restructuring (if applicable), exchanging (if applicable), and disposing such assets;
- iii. Making determinations with respect to exercise or enforcement of Clients’

rights;

- iv. Entering into amendments and modifications or waivers of terms and conditions that may relate to each Client's assets or other agreements previously entered into by the Client;
- v. Negotiating with prospective purchasers of the Client's assets and directing the disposition thereof;
- vi. Determining other appropriate strategies related to the disposition of the Client's assets;
- vii. Managing Investments held in reserve accounts, pre-funding accounts, and other similar accounts according to the applicable Governing Documents;
- viii. Directing the trustee or custodian to deposit or transfer appropriate amounts of funds into various transaction accounts for distribution according to the priority of payments under the Governing Documents;
- ix. Interacting with trustees, rating agencies, and other constituencies as required;
- x. Monitoring the Collateral and preparing necessary reports, schedules, etc. accordingly;
- xi. Taking actions, as required under the applicable Governing Documents, to effectuate optional redemption or retirement of the Notes; and
- xii. Taking the necessary steps to collapse or unwind the Clients under optional termination (e.g., "cleanup call") or other transaction-provided mechanics.

The descriptions of specific advisory services that the Investment Adviser offers to Clients, and investment strategies pursued, and investments made by the Investment Adviser on behalf of its Clients, as set forth in this Brochure should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate and lawful, subject to each Client's investment objectives, restrictions and guidelines, and which will be delineated in the applicable Governing Documents and the Investment Management and Advisory Agreement entered into with each Client. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Investors in securities issued by the Clients should be prepared to bear a substantial loss of

capital. There can be no assurance that the investment objectives of any Client will be achieved.

## **B. Material, Significant or Unusual Risks Relating to Investment Strategies**

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by the Investment Adviser. All securities investments risk the loss of capital. No guarantee or representation is made that the investment program will be successful or that the Clients will not incur substantial losses. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and that generally relate to particular significant investment strategies or methods of analysis employed by the Investment Adviser with respect to its Clients.

The Investment Adviser's investment strategy for each Client will vary from Client to Client as set forth in each Investment Management and Advisory Agreement and the Governing Documents for each Client and accordingly will involve a variety risks which are not necessarily included below. Investors in Clients should refer to the Governing Documents of the applicable Client for additional information regarding the risks involved in the investment strategy of such Client. The Investment Adviser makes no representation or warranty with respect to the accuracy or completeness of any such disclosure.

### *1. Investment Risks Generally*

Investment and Trading Risks. All securities investments risk the loss of capital. No guarantee or representation is made that the Investment Adviser will be successful or that the Client will not incur substantial losses. In certain transactions, the applicable Client may not be "hedged" against market fluctuations. The Investment Adviser will attempt to assess these risks, and others. However, such risks cannot be eliminated.

Due to the nature of the types of Clients that the Investment Adviser manages, there may be additional risk of certain event driven activities. Investing and/or disposing of investments requires the Investment Adviser to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the

effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Adviser had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Client of the security in respect of which such distribution was made. Additionally, the consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a “defensive” strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of the Client’s operations may be expected to fluctuate from period to period.

Cybersecurity Risks. The Investment Adviser, its affiliates, and its service providers are subject to operational and information security risks resulting from cyberattacks. To the extent that a Client, the Investment Adviser, its affiliates, or its service providers are subject to a cyberattack or other unauthorized access is gained to a Client’s information, the Client may be subject to substantial losses in the form of stolen, lost, or corrupted investor or customer data, portfolio financial information, trade secrets or other confidential information. The Client may also be the target of cyber-fraud that could result in the theft of assets from the Client, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. The Client, the Investment Adviser, its affiliates, and its service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good



faith, may be inadequate.

Artificial Intelligence and Machine Learning Risk. The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, “Machine Learning Technology”) can pose risks to the Firm, Client Accounts, and their investments. The Firm exposed to the risks of Machine Learning Technology from both such limited, known uses, as well as from any uses of Machine Learning Technology that may be undertaken by the Firm’s personnel or by third-party service providers or portfolio investments of or any counterparties to the Funds whether or not known to the Firm. Use of Machine Learning Technology involves the risk of inaccuracies or errors in the data utilized by Machine Learning Technology, may directly or indirectly create security or data risks, and may increase trademark, licensing and copyright risks. Machine Learning Technology continues to develop rapidly and it is impossible to predict the future risks that may arise from such developments.

Private Companies. Certain Clients may maintain investments in private companies (i.e., companies without any publicly traded securities). Investments in private companies are subject to various risks, including the illiquidity of the investment being made. Such Clients may be unable to sell its interest in a private company because there is no market for such interests. In addition, when investing in a private company, there is no market efficiency or testing in order to determine the correct price for interests in the company. Therefore, Clients could pay more for interests in a private company than their intrinsic value. Typically, private companies will have very limited reporting obligations, so there may be limited or no information available to investors regarding, among other things, a private company’s business prospects and results of operations. Private companies frequently have less oversight from independent directors and regulatory agencies and have less seasoned management teams.

Non-U.S. Investments. Certain Clients may own non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S. Transactions in such securities may require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include

unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of trading in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect performance.

Geopolitical Risks. An unstable geopolitical climate and continued threats of terrorism and war could have a material effect on general economic conditions, market conditions and market liquidity which could negatively affect the Clients and the value of their investments. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies in which the Clients invest. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on Clients' returns. No assurance can be given as to the effect of these events on the value of or markets for investments.

Small to Mid-Cap Companies. Certain Clients may maintain investments in the stocks of companies with small- to medium-sized market capitalizations. While these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are

often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some of such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks, even when a public market exists. Such companies may also not be covered or followed by financial analysts, and therefore, there may be less information available with respect to the finances, operations and prospects of such small- to mid-cap companies. The lack of such information could lead to riskier investments.

Currency Risk. Certain Clients may maintain investments in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar. Changes in currency exchange rates may affect the value of a Client's portfolio and the unrealized appreciation or depreciation of investments. Further, a Client may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Client at one rate, while offering a lesser rate of exchange should the Client desire immediately to resell that currency to the dealer. Clients may also have speculative positions in currencies, which will be subject to the same risks discussed above.

Changes and Uncertainty in Regulation. Clients may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the applicable Client is exposed through its investments or its investor base. The tax and regulatory environment for private funds is evolving, and changes in the regulation or tax treatment of private funds and their investments may adversely affect the value of investments held by such Clients. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. There can be no assurance the Investment Adviser will appropriately react to such developments or changes in policies, taxations, or restrictions. Any changes to the regulatory landscape applicable to the Clients could have a material adverse effect on the Clients and a Client's investors.

In the United States, Clients may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in certain Clients becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to such Clients. The Dodd-Frank Act endows the SEC, the U.S. Commodity Futures Trading Commission (“CFTC”), and other regulators with discretionary authority to write and interpret new rules. New or revised rules or regulations in the United States could result in increased costs to the Clients or to the Investment Adviser and its affiliates. In certain circumstances, and in accordance with the applicable Investment Management and Advisory Agreement and/or Governing Documents, such costs may be subject to reimbursement by the Client to the Investment Adviser. Increased costs as a result of regulatory compliance, could be substantial and may result in decreased returns to Clients.

Litigation. In the ordinary course of its business, the Clients may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Clients and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Investment Adviser’s time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Concentration of Investments. Clients may at certain times hold relatively few investments which are concentrated with respect to strategy, geography, risk profile, asset class or other characteristic. Clients could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected.

Exposure to Material, Non-Public Information. From time to time, BW receives material, non-public information with respect to an issuer of publicly traded securities. In such circumstances, Clients may be prohibited, by law, policy or

contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. Such restrictions may prohibit a Client from exiting an investment or entering into a new position at an advantageous time and may result in lost opportunities for a Client or adverse performance a Client's existing investment.

## 2. Distressed Nature of Client Investments

The loans, securities, instruments and other investments managed by the Investment Adviser for Clients may consist of below investment grade loans or interests in below investment grade loans, high-yield debt or equity securities and investment in companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, reorganization or other liquidation proceedings. Such investments may be subject to credit, liquidity, interest rate, market value, reinvestment and certain other risks. Although such investments may produce significant returns to the Client, they involve a high degree of risk over a potentially lengthy period of time, and may provide less liquidity than many other investments. Investment or disposal of these types of securities requires sophisticated analysis and there can be no assurance that the Investment Adviser will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these investments ordinarily remain stagnant until the applicable company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time. Even though the Investment Adviser will attempt to minimize the impact of these factors at a portfolio level, there can be no assurance that the Investment Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the investments of each Client. The investments generally are subject to greater risks than investment grade corporate obligations or investments in non-distressed companies. These risks could be exacerbated to the extent that a portfolio is concentrated in one or more particular types of investments.

In addition, the Dodd-Frank Act established the Orderly Liquidation Authority (the "OLA"), an insolvency regime for large, interconnected financial companies, including broker-dealers, whose failure poses a significant risk to the financial stability of the

United States. The Clients may hold positions in such large, interconnected financial companies and therefore may face losses if such financial companies are put into receivership and then liquidated upon a determination by the U.S. Federal Deposit Insurance Corporation and the board of governors of the U.S. Federal Reserve. If a financial company becomes liquidated by the OLA, the Client's investments in such financial company could be adversely affected. Unlike in bankruptcy proceedings, creditors, shareholders and contract counterparties will not have any input into, or advanced notice about, the liquidation or reorganization of the applicable financial company.

The financial performance of the Clients may be affected by the price, term and availability of investments to be liquidated or held, as well as the views and objectives of a Client's stakeholders.

The ability of the Investment Adviser to arrange the sale of an investment on behalf of a Client prior to maturity may be subject to restrictions under the Governing Documents of such Client. Because of such restrictions, the Investment Adviser may not be permitted to arrange the sale of an investment on behalf of a Client even when the Investment Adviser believes that doing so would be prudent or advisable.

### 3. Risks of Assuming Management Responsibilities of Clients Managed by Other Managers

Because part of the Investment Adviser's strategy is to assume the investment management responsibilities of Clients that were established and previously managed by another investment adviser, the investments selected by the former investment adviser as investments for the Clients may consist of securities in different parts of the same capital structure of an issuer, which are below investment-grade, or otherwise may pose a speculative risk to the Client.

It is possible that the trading and investment activities of any Client could conflict with the activities and strategies employed in managing the assets of any other Client and affect the prices and availability of the securities and instruments in which a Client invests. For example, one Client may hold unsecured debt of an issuer while another Client holds secured debt of the same issuer. This would potentially result in one Client being senior or junior to another Client in the capital structure of such entity, which could

mean that in a restructuring, workout or other distressed scenario the interests of such Client might be adverse to one another, and one such Client might recover all or part of their investment while the other does not. Decisions about what action should be taken in such a situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest.

Risks of below investment grade obligations or securities may include (among others): (i) limited liquidity and secondary market support, (ii) changes in value resulting from changes in prevailing interest rates, (iii) the possibility that earnings of the issuer may be insufficient to meet its debt service and (iv) the declining creditworthiness and potential for insolvency of the issuer of such obligations during periods of rising interest rates and economic downturn. An economic downturn or an increase in interest rates could adversely affect the value of such obligations and the ability of the issuers thereof to repay principal and interest.

Therefore, many of the investments that the Investment Adviser will be required to manage for Clients may have no, or only a limited, trading market. Investments of obligors or counterparties rated below investment grade (or that are not rated) will have greater credit and liquidity risk than investment grade obligations or securities. The lower ratings of obligors in the non-investment grade market reflect a greater possibility that adverse changes in the financial condition of the obligor on such obligations, in specific industries or in general economic conditions or a combination thereof, may impair the ability of such obligor to make payments of principal and interest.

Although investments may have been originally acquired with a view that the Clients will hold such investments until maturity, repayment or sale of the issuer, or otherwise, the Clients' investments may restrict the Investment Adviser's ability to dispose of such investments on behalf of the Clients in a timely fashion and for a fair price and may result in the inability to pursue other favorable investment opportunities. Investments sold as part of a wind-down, distressed circumstances or the general nature of a given investment often trade at a discount from more liquid investments or even its peers. Investments originated or purchased by the Investment Adviser on behalf of the Clients may be difficult to trade

and encounter trading delays due to their unique and customized nature, and transfers may be prohibited without the consent of an agent bank or borrower. In addition, privately placed investments may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale, and even if such privately placed investments are transferable, the prices realized from their sale could be less than those originally paid by the Clients or less than what may be considered the fair value of such assets.

Counterparties to some (or all) investments may need additional investment by the Client in order to realize any proceeds, and the Client may not have access to additional funds, or wish to further invest in that counterparty which may have a negative impact on the recovery prospects from that investment. Additionally, there may exist contractual obligations for the Client to invest additional amounts in the counterparty, and failure by the Client to fulfill its contractual obligations can result in the cancellation or termination of any reciprocal obligations owed by the counterparty to the Client, which can negatively impact the Client's recovery prospects from that investment.

A non-investment grade loan or debt obligation or an interest therein, or any investment is generally considered speculative in nature and may become non-performing for a variety of reasons. Non-performing loans, obligations, or other investments may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the investment and/or the deferral of payments.

Due to the illiquid nature of the investments, the Investment Adviser may not be able to predict with certainty the timing of or the value of the exit strategy for any given investment, or that one will definitely be available or that the timing of that exit strategy will match the expected maturity date of any notes, shares or other units issued by the Clients to their investors. Exit strategies that appear to be viable when an investment is initiated may be precluded or delayed by the time the investment is ready to be realized due to economic, legal, political or other factors, all of which may affect the value of the investment. Because of the nature of such investments, it may take several months or even years before the exit strategy envisioned at the time of the initial investment may be realized, if the exit strategy is realized at all.



The investments may include a material amount of stressed and distressed investments that may be the subject of extensive amendment, workout, restructuring and other negotiations and, as a consequence thereof, the Clients have received and are likely to continue to receive in certain cases (as a result of amendments, modifications, exchanges and/or supplements to such collateral, equity kickers and the relevant underlying instruments) interests in loans, debt or equity securities, letters of credit or leases that do not satisfy the requirements of the applicable Governing Documents of the Clients for investments that meet the related eligibility criteria. Certain Conflicts of Interest Involving the Investment Adviser

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Investment Adviser and its affiliates (including the Principal Owners), and the Investment Adviser's or its affiliates' managers, directors, officers, stockholders, members, partners, agents, advisors, principals and employees (collectively, "Related Parties") and their respective Clients.

There is no limitation or restriction on the Investment Adviser or any of its affiliates with regard to acting as adviser, manager (or in a similar role) to other parties or persons. This and future activities of the Investment Adviser and/or its affiliates may give rise to additional conflicts of interest.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Investment Adviser's advisory business or the integrity of the Investment Adviser's management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Broker-Dealer Registration Status**

BW is not registered, nor does it have an application pending to register, as a broker-dealer. The Investment Adviser's Chief Compliance Officer is registered as a registered representative and also serves as Chief Compliance Officer of Kroll Securities LLC, an affiliate under common control with the Investment Adviser, which is registered with the SEC and FINRA as a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

The Investment Adviser and its management persons are not registered as, and do not have any application pending to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

### **C. Material Relationships or Arrangements with Industry Participants**

Kroll Securities LLC is registered as a broker-dealer with the SEC and is a member of FINRA ("Kroll Securities").

The Investment Adviser is affiliated with India Agri Business Fund Manager ("IABF IM"), a Mauritius domiciled investment manager registered with the Financial Services Commission of Mauritius ("FSC"). Certain employees, officers, and/or directors BWAM serve as directors and employees of IABF IM.

The Investment Adviser may serve as investment adviser or investment manager to several Clients concurrently. The Investment Adviser, its affiliates and its personnel may take action or give advice with respect to certain Clients that differs from the advice given to other Clients. The Investment Adviser, its affiliates and its personnel will devote as much time to the activities of each Client as they deem necessary and appropriate and the amount of time devoted to different Clients may vary.

### **D. Material Conflicts of Interest Relating to Other Investment Advisers**

The Investment Adviser does not recommend or select other investment advisers for its Clients.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

The Investment Adviser makes decisions for its Clients in accordance with its fiduciary obligations to such Clients pursuant to the Investment Management and Advisory Agreement entered into with each Client.

### **A. Code of Ethics**

We have adopted a written Code of Ethics (the “Code of Ethics”) which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our Clients, and that we must conduct our business in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any Client or prospective Client upon request to the Investment Adviser’s Chief Compliance Officer, Gizelle Jancovic at [gizelle.jankovic@kroll.com](mailto:gizelle.jankovic@kroll.com). Notwithstanding the foregoing and the below, the Investment Adviser will be bound by the terms of the Governing Documents and the Investment and Advisory Agreement with each Client and may be required to comply with other restrictions set forth in such documents, though will seek to apply the rules described above and below in each case, where practicable.

We have no intention of engaging in cross-trades between Clients or principal trades between the Investment Adviser or its related persons, on one hand, and one or more Clients, on the other hand.

Under our Code of Ethics, we place certain restrictions on the personal trading activities of employees and their immediate family members. It is our policy that all employees must file initial and annual holdings reports and quarterly transaction reports with respect to all “reportable securities” with respect to which they have or

acquire any “beneficial interest” as such terms are defined in our Code of Ethics.

Employees are generally prohibited from trading the securities of individual issuers in their personal accounts unless they obtain pre-clearance for such trade from the Chief Compliance Officer. We maintain a list of restricted securities in which trading is prohibited. The Chief Compliance Officer may reject a request for pre-clearance for a variety of reasons, including, all requests for pre-clearance of securities found on the restricted list. Employees may invest in money market instruments, shares of mutual funds, shares representing the performance of a nationally recognized index and broad-based exchange traded funds and other types of securities that are deemed to present little opportunity for improper trading in accordance with our Code of Ethics.

## **B. Conflicts of Interest Created by Contemporaneous Trading**

The Investment Adviser may not (i) allocate trades in such a way that the Investment Adviser’s account or the account of an affiliate or employee of the Investment Adviser receives more favorable treatment than the accounts of the Investment Adviser’s Clients; (ii) favor certain performance-based or other Client accounts with “new issues” or allocate profitable trades at each day’s end so as to disproportionately favor certain Clients without appropriate disclosure.

It is the policy of the Investment Adviser to allocate investment opportunities among all Clients in a manner that is fair and equitable to all such Clients over time, in accordance with each Clients’ applicable investment strategies. However, in some cases it may be necessary to deviate from a *pro rata* distribution basis between Clients of the Investment Adviser. The factors that we may consider in making such determination include (but are not limited to): the relative amounts of capital in each Client’s account available for new positions of the type at issue; the mandate of each Client account; our perception of the appropriate risk/reward ratio for each Client account; the intended trading strategy of each Client account; the liquidity of each Client account at the time of trading and thereafter; and the overall portfolio composition of each Client account.

If the general approach to equitable distribution is altered, a written record will be created and maintained memorializing the basics for any non-standard allocation of an investment between more than one account.

## ITEM 12 – BROKERAGE PRACTICES

### Selection of Brokers

Certain Clients may have pre-existing engagements with certain brokers prior to the Investment Adviser's engagement with the Client. Accordingly, we may not have discretion to determine the broker-dealers and other financial intermediaries to use in effecting transactions for our Clients, or the commission rates or mark-ups/mark-downs to be paid for such transactions.

To the extent that we have the right to engage brokers for our Clients, we consider such factors as price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility, and the provision or payment (or the rebate to our Clients for payment) of the costs of property or services (e.g., short term custodial services, research services, news and quotation services, publications and other research and brokerage products or services) in selecting brokers to effect portfolio transactions for such Clients. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services.

We have adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors. We periodically evaluate the execution performance of the broker-dealers we use to execute Client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute Client transactions.

### Research and Other Soft Dollar Benefits

We do not use soft dollars generated by Client accounts to pay for research and/or related services provided by brokers.

### Services from Prime Brokers

We do not currently use the services of a prime broker, however, certain Clients may have pre-existing engagements with certain prime brokers prior to the Investment Adviser's engagement with the Client.

### Brokerage for Client Referrals

We will not participate in selecting or recommending broker-dealers in exchange for client referrals.

### Aggregation of Orders

Pursuant to our Investment Management and Advisory Agreement with a Client as well as the Client's Governing documents, we generally do not expect to be in a position to aggregate orders or allocate orders amongst multiple Clients. Trades for a Client will be tailored to the Client's needs and in many cases will involve privately negotiated transactions on behalf of the Client and a counterparty. In the event that multiple Clients hold the same or similar security and we determine that it is in each Client's best interest to sell such security, we will aggregate the securities to be sold and allocate the proceeds of any such sale in a *pro rata* manner.

Our brokerage practices may differ for certain Clients based on the Client's applicable Investment Management and Advisory Agreement.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **A. Frequency and Nature of Review of Clients' Accounts or Financial Plans**

The Investment Adviser performs ongoing reviews of each Client's investments. Such reviews are conducted by officers or employees of the Investment Advisor, as appropriate or applicable, and in each case pursuant to the Investment Management and Advisory Agreement entered into with each Client.

### **B. Factors Prompting Review of Clients' Accounts Other than a Periodic Review**

While the Investment Adviser performs ongoing reviews of each Client's investments, as described above, an other than periodic review of a Client's account may be triggered by any unusual activity or special circumstances, including any event-based occurrence such as the restructuring of a Client's investment.

### **C. Content and Frequency of Account Reports to Clients**

The Investment Adviser assumes the investment management responsibilities of Clients that were managed by a prior investment adviser or as otherwise agreed with the Client. The Investment Adviser intends to provide investment advisory services in wind-downs and other special situations, which will include providing investment advisory, financial advisory and restructuring services to Clients. Because each Client may have fundamentally different needs, each engagement will, by its nature, have its own unique requirements. Therefore, the type, frequency and detail of reports delivered to each Client and/or its stakeholders will similarly be unique and negotiated at the outset and documented in the Investment Management and Advisory Agreement and the applicable Governing Documents. For example, some Clients may only require a purely financial report at the conclusion of a relatively quick wind-down, while other Clients may require both quantitative and qualitative reports delivered with regular frequency over an extended period of time.



## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Economic Benefits for Providing Services to Clients**

The Investment Adviser does not receive economic benefits from non-Clients for providing investment advice and other advisory services.

### **B. Compensation to Non-Supervised Persons for Clients Referrals**

At this time, neither the Investment Adviser nor any related person directly or indirectly compensates any person, for Client referrals.

## ITEM 15 - CUSTODY

For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), we may be deemed to have custody of certain Clients’ assets.

Investors in such Clients generally will receive annual audited financial statements of the Client. Client assets will be maintained with a qualified custodian, unless an exception is available under Rule 206(4)-2. Investors should review these statements carefully. The Investment Adviser distributes audited financial statements of its applicable Clients in a timely manner (generally within 120 days of the end of the fiscal year unless the Client is a “funds of funds” in which case, within 180 days of the end of the fiscal year).

Depending on the type of Client, the Investment Advisor could have custody of Client funds and securities because we may debit fees directly from the accounts of such Clients. In addition, certain Clients have executed a letter or instruction or similar asset transfer authorization arrangement with a qualified custodian whereby the Investment Advisor would be authorized to withdraw Client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian. The Investment Advisor could also be deemed to have imputed custody with respect to several unique arrangements of its related persons with Clients and, for those Client’s accounts only, would be subject to a surprise custody exam.

## **ITEM 16 – INVESTMENT DISCRETION**

The Investment Adviser provides discretionary investment advice and/or investment management services to each Client. The Investment Adviser's investment decisions and advice with respect to each Client are subject to the Governing Documents of such Client. As described in Items 5 and 8 of this Brochure, the Investment Adviser will enter into an Investment Management and Advisory Agreement with each Client or assume the obligations under an existing investment management agreement, pursuant to which the Investment Adviser provides investment management services to its Clients.

Because the Investment Adviser assumes the investment management responsibilities for Clients that were previously managed by another investment adviser, certain engagements may provide the Investment Adviser with less discretion than others.

## **ITEM 17 – VOTING CLIENT SECURITIES**

### **A. Policies and Procedures Relating to Voting Securities Held by Clients**

We generally have voting discretion over securities held in Clients' accounts. Clients are generally not able to direct their votes in a particular situation. We will exercise our discretion in the best interests of our Clients when voting on a proxy. In fulfilling our obligations to our Clients, we will act in a prudent and diligent manner intended to enhance the economic value of the Client's securities. Proxy Voting Policies and Procedures (the "Proxy Policy") will be adopted to address proxy voting, as applicable, for each Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that we vote proxies (or similar instruments) in the best interest of the Clients, including where there may be material conflicts of interest in voting proxies. The Proxy Policy will set forth certain proxy voting guidelines followed by the Investment Adviser when voting proxies on behalf of the Clients. If you would like a copy of our complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, please contact [gizelle.jankovic@kroll.com](mailto:gizelle.jankovic@kroll.com) and it will be provided to you at no charge.

Clients may obtain a copy of the Investment Adviser's proxy voting policies and its proxy voting record upon request.

**ITEM 18 – FINANCIAL INFORMATION**

The Investment Adviser has not been the subject of the bankruptcy petition at any time during the past ten years and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual requirements to Clients.