

**Part 2A of Form ADV  
Firm Brochure  
Cover Page**

**ITEM 1**

**Date: March 21, 2011**

**TW Asset Management LLC**

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This brochure provides information about the qualifications and business practices of TW Asset Management LLC. If you have any questions about the contents of this brochure, please contact Cindi Perez at (415) 364- 6088. 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 TW Asset Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TW Asset Management, LLC is a registered investment adviser; however such registration does not imply a certain level of skill or training.

## **ITEM 2**

### **Material Changes**

On July 1, 2010, Thomas Weisel Partners Group, Inc. (“TWPG”), the former ultimate parent company of TW Asset Management LLC (“TW”), and Stifel Financial Corporation ( NYSE: SF) (“Stifel”) completed their strategic merger. Pursuant to a definitive agreement dated April 25, 2010, by and among Stifel, PTAS, Inc., a wholly owned subsidiary of Stifel (“PTAS”), and TWPG, PTAS merged with and into TWPG and TWPG became a wholly owned subsidiary of Stifel. An amended brochure containing changes in the firm’s ownership was sent to all clients on August 2, 2010

On December 31, 2010, TW Small Cap Growth Fund I, L.P., managed by TW and in which TW was the general partner, was converted into TW Small Cap Growth Fund, a registered mutual fund under the Investment Company Act of 1940, as amended (“1940 Act”). TW Small Cap Growth Fund I, L.P. was not was not registered as a mutual fund under 1940 Act, and therefore was not subject to certain investment restrictions, limitations and diversification requirements imposed by the 1940 Act and Internal Revenue Code.

## ITEM 3

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## **ITEM 4**

### **Advisory Business**

#### **Firm Description**

TW was formed on October 6, 2006, began managing assets on November 15, 2006 and registered with the SEC as an investment adviser on March 23, 2007. TW is a Delaware limited liability company that is a majority owned subsidiary of Thomas Weisel Asset Management LLC (“TWAM”) which, in turn, is a wholly owned subsidiary of TWPG. TWPG is a wholly owned subsidiary of Stifel.

TW’s ultimate parent is a financial services holding company and publicly traded company (NYSE: SF). Members of TW’s Board of Managers are involved in the management of certain of SF’s various lines of business, which include investment banking, research, institutional brokerage, and private equity investing.

#### **Principal owners**

Ownership of TW is currently split as follows: 65% is held by TWAM, and 35% is held by members of the TW portfolio management team.

#### **Type of Advisory Services**

TW provides investment advice predominantly on a fully discretionary basis to high net worth individuals and institutions for small cap, small/mid cap and mid cap U.S. equity securities portfolios. In addition, TW manages accounts on Stifel’s wrap fee platforms and provides advisory services to other investment vehicles (“Investment Funds”). These Investment Funds invest primarily in publicly traded equity securities. TW also manages proprietary accounts for Stifel on a non fee paying basis.

#### **Tailored Relationships**

TW may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to clients’ investments and the performance resulting from such decisions may differ from client to client. TW’s goal is to ensure that clients’ objectives and reporting needs are met to their specifications. Clients may impose restrictions on investing in certain securities or types of securities.

#### **Wrap Fee Program**

TW acts as portfolio manager for wrap fee programs that are sponsored by broker/dealer subsidiaries of Stifel and affiliates of TW. The client pays an all inclusive fee to the Stifel broker/dealer who covers services rendered by the broker/dealer and portfolio management services rendered by TW. The Stifel broker/dealer pays a portion of the wrap fee to TW for its portfolio management services. These accounts differ from other accounts managed by TW as follows:

- 1) All trades are directed to the Stifel broker/dealer (TW affiliate) that sponsors the wrap fee program. No other client accounts direct any trades to an affiliated broker/dealer
- 2) Client accounts are aggregated to meet minimum separate account size of \$10 million, and

- 3) Clients may direct TW to perform tax loss selling affecting their returns.

### **Assets Under Management**

As of December 31, 2010, the total amount of client assets managed by TW was \$169,145,999, all of which is managed on a discretionary basis.

## **ITEM 5**

### **Fees and Compensation**

#### **Investment Management Service Fees**

TW has standard fees based on the type of account (for example, separate account or mutual fund) and the investment approach used (for example, small cap, mid cap, or small/mid cap). Typically, annual management fees are calculated as a percentage of the net market values of investors' accounts after market close on the last business day of the preceding quarter.

In general, annual management fees are payable quarterly in advance and may be pro-rated if an account is opened or receives an additional capital contribution on a day that is not the first business day of the calendar quarter. Accounts closed during a billing period are charged a pro-rata fee for the time that the account was opened and any unused portion of the advanced payment will be returned to the client. Occasionally, management fees may be payable quarterly in arrears, if so specified by a client's investment management agreement.

The standard account fee for TW Mid Cap Growth Strategy is 0.85%.

The standard account fee schedule for TW Small Cap Growth Strategy is as follows:

On the Amount that is	Fee
Less than or equal to \$50 million	1.00%
Greater than \$50 million but less than or equal to \$100 million	0.95%
Greater than \$100 million	0.90%

The standard account fee schedule for TW Small/Mid Cap Growth Strategy is as follows:

On the Amount that is	Fee
Less than or equal to \$50 million	0.95%
Greater than \$50 million but less than or equal to \$100 million	0.90%
Greater than \$100 million	0.85%

#### **Fees Negotiable**

From time to time, TW may negotiate fees with clients depending on, but not limited to, account size, customization, multi-product relationships, date of establishment of advisory relationship, or other circumstances or factors that TW may deem relevant. In addition, a different fee schedule may apply if TW manages an account on a sub-advisory or wrap fee platform; pursuant to such investment management arrangements, an end client may be charged an annual fee in a

range of between 1.25% and 2.50%, of which a range of 0.50% and 1.50% may be payable to TW.

A special fee arrangement was entered into with the registrant's early individually managed account clients (the "Foundation Client Fee Arrangement").

#### Termination of Client Relationship

Clients may terminate investment advisory contracts by providing written notice according to the terms in the applicable contract (usually 30 days for separately managed accounts).

#### Fee Billing

Client fees are billed directly to clients on a quarterly basis.

### **Other Investment Products**

#### Mutual Fund

##### **TW Small Cap Growth Fund ('Fund')**

Annual Fund Operating Expenses (expenses paid each year as a percentage of the value of an investment in the Fund):

	<u>Class A</u>	<u>Advisor Class</u>	<u>Institutional Class</u>
Management Fees	1.00%	1.00%	1.00%
Distribution and/or Service (Rule 12b-1) Fees	0.25%	0.25%	None
Other Expenses <sup>1</sup>	0.81%	0.81%	0.81%
Total Annual Fund Operating Expenses <sup>2</sup>	2.06%	2.06%	1.81%
Fee Waiver and/or Expense Reimbursement <sup>2</sup>	(0.58)%	(0.58)%	(0.58)%
Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement <sup>2</sup>	1.48%	1.48%	1.23%

<sup>1</sup> "Other Expenses" are based on estimated amounts for the current fiscal year.

<sup>2</sup> TW has contractually agreed to a reduction of its advisory fee and/or reimbursement of other operating expenses in order to limit "Total Annual Fund Operating Expenses," excluding extraordinary expenses, brokerage commissions, interest and "Acquired Fund Fees and Expenses," to 1.48% with respect to Class A shares, 1.48% with respect to Advisor Class shares and 1.23% with respect to Institutional Class shares of average daily net assets of the Fund (the "Expense Limitation"). The Expense Limitation will remain in place until August 31, 2014, unless the Board of Trustees approves its earlier termination. Subject to approval by the Board of Trustees, the Adviser may recoup any expenses or fees it has reimbursed within a three-year period from the year in which the Adviser reduced its compensation and/or assumed expenses of the Fund.

Stifel Nicolaus, a TW affiliate may receive Rule 12b-1 distribution fees, dealer concessions, or finder's fees when its advisors sell shares of the Fund. This practice presents a potential conflict of interest as it may give TW an incentive to recommend investment products based on the compensation received by such affiliate, rather than on a client's needs. Clients have the option to purchase an investment in the Fund through other brokers or agents that are not affiliated with TW.

#### Trading and Other Cost

Clients may pay custodian fees or mutual fund expenses in connection with TW advisory services. Clients will incur brokerage and other transaction costs, as disclosed on page 13 and Section 12 of this brochure.

## **ITEM 6**

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

No accounts are compensated with a performance-based fee. (e.g., fees based on a share of capital gains or capital appreciated of the assets in a client's account)

## **ITEM 7**

### **Types of Clients**

TW provides investment advice to high net worth individuals, pension and profit sharing plans, charitable organizations, corporations or other business, wrap fee platforms and mutual funds. The minimum account size for asset management services for separately managed accounts is \$10,000,000; with respect to advisory services provided on a wrap fee platform, the account minimum may differ depending on the terms of the platform. TW may waive account minimums in its discretion; with respect to services provided to mutual funds, the account minimum is stated in the prospectus.

## **ITEM 8**

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

#### **Type of Investments**

TW Asset Management LLC specializes in creating growth portfolios and offers three investment strategies to help its clients meet their investment needs.

TW Small Cap Growth Strategy

TW Small/Mid Cap Growth Strategy

TW Mid Cap Growth Strategy

#### **Method of Analysis and Investment Strategies**

In managing small, small/mid and mid cap U.S. equity portfolios, TW analyzes public filings, third-party research, news and interviews with company management, competitors, suppliers and customers. TW seeks to identify companies with shareholder oriented management teams, with strong revenue growth and strong positioning relative to competitors.

TW then applies various valuation techniques to each company to develop price points at which TW would buy and sell the security and identify those companies that it believes present favorable opportunities for return relative to their levels of risk. TW uses a company's buy and sell price points and risk/reward profile, among other factors such as its potential price volatility, to create a "roadmap" for the size of investment in a company. TW uses this roadmap to allocate capital across and within market capitalizations and industry sectors.

TW continues to evaluate each security it buys to determine whether it should continue to maintain its investment. TW generally will sell or reduce an investment position if it believes:

- The initial reasons it bought the security are no longer valid;



- The risk/reward profile of an investment position is no longer favorable;
- Adjustments are appropriate in light of capital allocation targets within or across industry sectors or risk management parameters; or
- A better investment opportunity exists.

### **Risk of Loss**

The following is a list of certain principal risks that may apply to investment in TW investment strategies

- **Management Risk:** TW may not be successful in selecting the best-performing securities or investment techniques, and an account performance may lag behind that of similar accounts. TW may also miss out on an investment opportunity because the assets necessary to take advantage of an opportunity are tied up in other investments, potentially including investments that may not perform as well as the investment opportunity.
- **Market Risk:** The risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.
- **Small-Cap Securities Risk:** Small-cap companies may be more vulnerable than large-cap companies to adverse business or economic developments. Securities of such companies may be less liquid and more volatile than securities of large-cap companies and therefore may involve greater risk.

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

## **ITEM 9**

### **Disciplinary Information**

No disciplinary action with respect to TW and its employees

## **ITEM 10**

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

Certain affiliates of TW are registered as broker/dealers and certain of TW's management persons are registered representatives of a broker dealer.

TW is an affiliate of Stifel. Through Stifel's subsidiaries, Century Securities Associates, Inc. ("CSA"), a registered broker/dealer and investment adviser; Stifel, Nicolaus & Company,

Incorporated (“SN”), a registered broker/dealer and investment adviser and Thomas Weisel Partners, LLC (“TWPLLC”) a registered broker/dealer and investment adviser, Stifel provides strategic advisory services and equity underwriting to high quality growth companies and its institutional brokerage department is engaged in equities trading and global distribution for large institutional investors.

TW is under common control with: Thomas Weisel Capital Management LLC (“TWCM”), formerly Thomas Weisel Capital Partners LLC, a registered investment adviser; Thomas Weisel Global Growth Partners LLC (“TWGGP”), a registered investment adviser; Thomas Weisel Asset Management LLC (“TWAM”), a registered investment adviser; Missouri Valley Partners, Inc. (“MVP”), a registered investment advisor; and Choice Financial Partners, Inc. (“CFP”), a registered investment adviser.

Each of TWPLLC and SN may act as a placement agent for investment funds managed by TW. SN may also act as underwriter or placement agent in connection with the public or private sales of securities owned by an advisory client that has an account managed by TW. In such instances, SN generally will be paid customary fees for its services.

TW may at times be prohibited from disposing of securities at a favorable time or taking advantage of investment opportunities that would be available to it but for its affiliation with SF. In addition SF, a related person of TW may receive private placement fees, financial advisory fees and other compensation from issuers in transactions in which a client advised by TW acquires securities of those issuers, to the extent permitted by law.

TW has a Code of Ethics and procedures in place designed to address conflicts. Because the use of an affiliated broker/dealer raises a potential conflict of interest, TW will not use any affiliated broker/dealer to effect securities transactions for client accounts unless such clients specifically direct TW to do so. In addition, a TW employee or an affiliate’s employee can only invest or withdraw assets from an investment account or mutual fund managed by TW at a time when other unaffiliated customers could do the same.

## **ITEM 11**

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

#### **Code of Ethics**

TW has adopted a Code of Ethics applicable to all supervised persons. The Code reinforces the fiduciary principles that govern the conduct of the supervised employees, including:

- Standards of business conduct that are expected and reflect the adviser’s fiduciary duties. All supervised persons must acknowledge in writing receipt of the Code and any amendments.
- Compliance with Federal Securities Laws – TW is registered as an investment adviser with the U.S. Securities and Exchange Commission. In conducting TW’s advisory business, all personnel must comply at all times with the Investment Advisers Act of

1940 and the rules under the Act. In addition when managing accounts of employee benefit plans and individual retirement accounts, employees must comply with all

- applicable provisions of ERISA, the Internal Revenue Code of 1986 and the rules under those laws. TW and certain personnel are also subject to state securities laws and state fiduciary laws in states where TW does business or has clients. TW and its personnel are also subject to the anti-fraud provisions of the federal securities laws.

### **Personal Securities Reporting**

All TW personnel must conduct their personal investing activities in a manner to avoid actual or potential conflicts of interest with TW's clients and TW itself. No employee may use his or her position with TW or any investment opportunities they learn of because of his or her position with TW, to the detriment of our clients or TW. Employees shall follow TW Employee Trading Policy at all times. TW Employee Trading Policy mandates that all supervised employees and access persons obtain pre-approval from the Compliance Department prior to entering any trade. All TW employees are prohibited from participating in an initial public offering or secondary (follow-on) offering. The Compliance Department monitors all TW employees' trading and has a reporting system in place.

TW is required to keep a copy of the Code of Ethics and record any violations of the Code and any action taken as a result of the violation. The Compliance Department, or designee, is responsible for monitoring compliance with the Code and will conduct periodic testing and review of the procedures to ensure ongoing compliance. A copy of the Code of Ethics is available to all clients and prospective clients upon request.

### **Participation or Interest in Client Transactions**

TW may recommend to clients the purchase or sale of securities in which it, or its owners, officers, employees, or affiliates have financial interest. Moreover, TW permits its employees to engage in personal securities transactions, which are subject to limitations imposed by TW's Code of Ethics. It is possible that owners, officers, employees, or related persons of TW may buy or sell securities or other instruments that TW has recommended to clients and may engage in transactions for their own accounts in a manner that is inconsistent with TW's recommendations to a client. Personal securities transactions by employees may raise potential conflicts of interest when these persons trade in a security that a client owns or that TW is considering for purchase or sale for a client. TW has adopted policies and procedures designed to detect and prevent such conflicts of interest and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. Persons associated with TW who wish to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with TW's fiduciary obligations.

TW's investment strategies may result in investments in securities of issuers that Stifel or one of its affiliates has sponsored or promoted. Stifel or its affiliates may have purchased or otherwise acquired securities or other interests in such issuers on terms different from, and more favorable than, those available to TW's clients and the products with respect to which TW provides investment advice. Stifel and its affiliates advise on and invest in venture capital or other investment funds or products that may have substantial positions in companies the securities of which may be purchased in the open market as a result of TW's investment strategies. TW's

investment strategies may result in these securities being purchased after the initial purchase by those investment funds and employees. In these situations, Stifel and its affiliates or employees may benefit from the investment strategies of TW. For example, the later purchase of securities may cause the price of these securities to rise and benefit Stifel or its affiliates or employees. Portfolio managers or officers or employees of Stifel or its affiliates may serve on the boards of directors of companies in which TW invests ("portfolio companies"). In addition, Stifel or its affiliates may provide advisory or other services to portfolio companies. The portfolio companies may compensate SF or its affiliates for these services with options to purchase stock or other equity interests of the portfolio companies. If Stifel or its affiliates own options or other securities issued by portfolio companies, a conflict of interest may arise between the timing of any exercise or sale of these options, and TW's decisions about the same portfolio securities for its investment strategies.

TW's investment strategies may result in trading in securities where SN or one of its affiliates is a member of a syndicate underwriting such securities, in securities as to which SN or one of its affiliates has published research or is about to publish research, in securities in which SN or TW or any of their affiliates or employees, for themselves or others, have taken the same position, or in securities of an issuer for whom SN has been or may be engaged to provide investment banking services. Transactions resulting from TW's investment strategies may also directly benefit Stifel by increasing the value or positions of the same securities held by SN in its capacity as a broker-dealer.

TW may cause the purchase or sale of securities of an issuer at a time when SN, its affiliates or their respective employees have information about such securities or their issuers or prospects which they have not made available to TW. SN, its affiliates and their respective employees have no duty to make any such information available to TW, and TW has no duty to obtain such information.

TW, like any investment adviser, may have other potential conflicts of interest, including:

- (a) TW or its investment professionals, for themselves or for others, may take the same or conflicting positions in a security in which there has been an investment under TW's investment strategies. For example, TW or a portfolio manager of TW, on behalf of itself or its clients, may purchase a security that it is selling in another account in a different TW investment strategy.
- (b) Affiliates of TW frequently have access to nonpublic information on publicly traded companies. When this occurs, TW may be prohibited from making a particular investment or from trading an existing position at a time that would be beneficial to TW's clients, resulting in investment losses or the failure to achieve investment gains.
- (c) Portfolio managers, officers, or employees of TW, Stifel or their affiliates may purchase shares in the mutual fund that TW manages. TW has a Code of Ethics designed to address conflicts; in addition, a TW employee or an affiliate's employee can only invest or withdraw funds from a mutual fund at a time when other unaffiliated investors could do the same.

A principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client's account. An inherent conflict of interest exists since an adviser has an opportunity to transfer unwanted securities from its account to a client's account, sell securities to a client's account at prices above the market, or transfer more favorably priced securities from a client account to its

account. TW does not permit principal transactions. TW does not permit the selling of a security from one client account and the purchasing of the same security in another client (cross transaction). In addition TW does not execute trades for client accounts through its affiliates. TW however may execute trades through affiliates for its proprietary accounts or wrap fee accounts when TW is directed to do so.

Potential conflicts exist if TW directs client investments into affiliated vehicles in order to increase the size of these vehicles. Increasing the size of the vehicles includes the potential for self-dealing and increased compensation by (a) lowering overall expenses of the vehicle (b) permitting greater marketing of the vehicle which will generate greater fee revenue for TW or its affiliates. To mitigate any detriment to the client, TW does not recommend affiliated funds to its clients.

A potential conflict may arise with respect to the side-by-side management of registered investment companies, proprietary accounts, and separately managed accounts of individuals and institutional investors. An adviser may be inclined to favor certain accounts over others. TW maintains a Trade Allocation and Aggregation Policy to ensure that client accounts are treated fairly and equitably. The Compliance Department reviews allocations and dispersion regularly. The investment team performs periodic reviews to ensure the product complies with the investment strategy and defined risk parameters for each account. In addition, persons associated with TW who wish to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with TW's fiduciary obligations and Code of Ethics.

### **Personal Trading**

TW permits its employees to engage in personal securities transactions which are subject to limitations imposed by TW's Code of Ethics. It is possible that owners, officers, employees, or related persons of TW may buy or sell securities or other instruments that TW has recommended to clients and may engage in transactions for their own accounts in a manner that is inconsistent with TW's recommendations to a client. Personal securities transactions by employees may raise potential conflicts of interest when these persons trade in a security that a client owns or that TW is considering for purchase or sale for a client. TW has adopted policies and procedures designed to detect and prevent such conflicts of interest and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. Persons associated with TW who wish to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with TW's fiduciary obligations.

TW employees wishing to enter into a securities transaction must submit a completed Pre-Clearance Request Form to the Compliance Department on the date of the proposed transaction. No TW employee may place an order for the purchase or sale of any security for a covered account until the Compliance Officer has approved the transaction in accordance with TW's Code of Ethics.

## **ITEM 12**

### **Brokerage Practices**

#### **Broker Analysis and Selection**

TW's primary objective in selecting broker/dealers is to obtain the best combination of price and

execution in the market(s) involved. Best price, giving effect to brokerage commissions, if any, and other transaction costs, is normally an important factor in this decision, but TW also takes into account the quality of brokerage services, including, without limitation, factors such as: execution capability; willingness to commit capital; financial stability; clearance and settlement capability; promptness; trading expertise; back-office efficiency; ability to handle difficult trades; knowledge of other buyers and sellers; confidentiality; prior performance in serving TW and its clients; and other factors affecting the overall benefit clients receive in the transaction. In addition, TW may consider research and related services provided to its funds. Accordingly, transactions will not always be executed at the lowest available commission but within a general competitive range.

#### Directed Brokerage

TW will use directed brokers and revenue sharing arrangements only pursuant to a client's request. TW will confirm that any percentage allocated to directed brokers is in compliance with a client's request.

When directing brokerage, TW may be unable to achieve most favorable execution of client transactions. For example, in a directed brokerage account, the client may pay higher brokerage commissions because TW may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. Directing brokerage may cost clients more money.

#### Brokerage for Client Referrals

When selecting a broker/dealer, TW does not consider nor receive client referrals.

#### Research and Other Soft Dollar Benefits

TW does not currently use soft dollars for any accounts. When TW believes that more than one broker/dealer is capable of providing the best combination of price and execution for a particular portfolio transaction, it often selects a broker/dealer that furnishes it research. "Research" includes: research reports on companies, industries, and securities; data and reports on individual companies and industries of interest to TW; data and reports on general market or economic conditions.

#### **Best Execution**

TW considers numerous factors in arranging for the purchase and sale of clients' portfolio securities. These include any legal restrictions, such as those imposed under the securities laws and ERISA, and any client-imposed restrictions. Within these constraints, the portfolio manager shall employ or deal with members of securities exchanges and other brokers and dealers that will, in the portfolio manager's judgment, provide "best execution" (*i.e.*, prompt and reliable execution at the most favorable price obtainable under the prevailing market conditions) for a particular transaction for the Client's account.

In determining the abilities of a broker/dealer to obtain best execution of portfolio transactions, TW and its portfolio managers will consider all relevant factors, including:

- The execution capabilities the transactions require;
- The ability and willingness of the broker/dealer or bank to facilitate the accounts' portfolio transactions by committing capital to execute the trade;
- The importance to the account of speed, efficiency, and confidentiality;

- The apparent familiarity of the broker/dealer or bank with sources from or to whom particular securities might be purchased or sold;
- The reputation and perceived soundness of the broker/dealer or bank; and
- Other matters relevant to the selection of a broker/dealer or bank for portfolio transactions for any account.

TW and the portfolio managers will also be aware of the current level of the charges of eligible broker/dealers and banks and will minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of Client accounts.

TW evaluates the reasonableness of brokerage commissions and the utility of those research services to clients on an ongoing basis. TW reviews brokerage placement and periodically reviews brokerage policies and practices.

### **Order Aggregation.**

In order to seek best execution, TW often aggregates client transactions for the same security into a single “bunched” order. Clients then participate in an equal average price. There may be instances where TW will not purchase or sell all the securities; in this instance, accounts will participate in a pro-rata allocation. Additionally, there may be instances when a client account transaction is the opposite of another client’s transactions. This can occur when a client has decided to withdraw a portion of the account and the other client accounts may be purchasing securities.

When aggregating purchases or sales of same securities with the same broker, an account may be charged or credited, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, the price may be less favorable to such account than it would be if similar transactions were not being executed concurrently for other accounts.

TW may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to clients’ investments and the performance resulting from such decisions may differ from client to client. Not aggregating orders may result in a client paying higher brokerage commissions and transaction costs.

TW established an allocation policy aimed at ensuring that the securities that it invests in are allocated on an equitable basis among all the funds and accounts that it manages.

### New Issues

TW may from time to time receive allocations of new securities issues for client accounts. In determining the allocation of these securities, TW will allocate pro-rata for all eligible participating accounts.

## **ITEM 13**

### **Review of Accounts**

#### **Periodic Reviews**

Accounts are reviewed internally on a daily basis by relevant portfolio managers, the Chief Operating Officer and a Compliance Officer. Reviews or meetings with clients are conducted according to the client guidelines. Reviewers include client executives and investment professionals.

#### **Guideline Setting (Review Triggers)**

Account limits and guidelines are pre-set in the trading system by the Compliance Officer at the time the account is opened, based upon the Compliance Officer's review of the account's Investment Management Agreement.

#### **Regular Reports**

Each client's account custodian issues monthly statements of positions, trade activity and account valuations. TW provides clients with quarterly written reports containing account activity and portfolio valuations.

### **ITEM 14**

#### **Client Referrals and Other Compensation**

TW has a marketing agreement in place with Endeavour Investment Partners LLC ("Endeavour") a third party marketing organization. TW may pay its employees or outside sales consultants a referral fee based on a percentage of a client's assets managed by TW or based on a percentage of management fees.

### **ITEM 15**

#### **Custody**

TW does not have custody of client assets. SN, an Affiliate of TW, serves as custodian for proprietary accounts and wrap fee accounts managed by TW that are sponsored by affiliates of SN.

### **ITEM 16**

#### **Investment Discretion**

##### **Discretionary Authority**

TW determines which securities are bought or sold, the total amount of the securities to be bought or sold, the broker or dealer to be used, and the commission rates paid, if any, to execute the transaction. TW will follow investment guidelines determined at the inception of the client relation, as they may be amended from time to time. These investment guidelines may include specific limitations or restrictions on the types or amounts of securities that can be bought or sold in the portfolio.

Whether TW buys securities for its clients through the secondary market or through private transactions, there are no limits on its authority to determine which securities are to be bought or sold, the amount paid therefore, the broker or dealer to be used, and the commission rates to be paid. TW may purchase certain equity securities and fixed income securities from the issuer or a primary market maker acting as principal on a net basis with no brokerage commission paid by the client. TW also may purchase securities in public offerings from underwriters at a price that



includes fixed underwriting commissions and fees. In certain foreign markets, commission rates are fixed generally and not subject to negotiation.

## **ITEM 17**

### **Voting Client Securities**

With respect to accounts for which TW is responsible for voting proxies on behalf of clients, TW has adopted policies and procedures in an effort to ensure that votes are cast in the best interest of its clients and that proper documentation is maintained relating to how proxies were voted. TW's basic policies and procedures are as follows:

TW has adopted pre-determined proxy voting guidelines (the "Guidelines") to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the Guidelines, TW may delegate to a non-affiliated third party vendor the responsibility to review proxy proposals and make voting recommendations on behalf of TW. Additionally, TW may vote a proxy contrary to the Guidelines if TW determines that such action is in the best interest of its clients.

Conflicts of interest relating to proxy proposals will be handled in various ways depending on the type of conflict and materiality. Generally, TW will vote in accordance with TW's Guidelines. Where the Guidelines outline TW's voting position to be determined on a "case-by-case" basis for such proxy proposal, or such proxy proposal is not listed in the Guidelines, TW will vote such proxy proposal in the best interest of its client. Because TW vote proxies based on a predetermined policy, TW believes clients are generally insulated from any actual or perceived conflict between TW interests and those of its clients. However, TW may deviate from the policy in certain circumstances or the policy may not address certain proxy voting proposals.

TW may choose not to vote proxies in certain situations or for certain accounts, such as: (1) when a client has informed TW that it wishes to retain the right to vote the proxy, TW will inform the custodian to send the proxy material directly to the client; (2) when TW deems the cost of voting would exceed any anticipated benefit to the client; (3) when a proxy is received for a client account that has been terminated with the firm; (4) when a proxy is received for a security TW no longer holds (i.e., TW had previously sold the entire position), and/or; (5) when the exercise of voting rights could restrict the ability of an account's portfolio manager to freely trade the security in question. Additionally, TW may be unable to vote proxies for any client account that participates in securities lending programs

TW's Best Practices Committee ("BPC") is responsible for administering and overseeing the proxy voting process. The BPC makes decisions on proxy policy, establishes TW's formal Proxy Voting Policy (the "Policy") and updates the Policy as necessary, but no less than annually. The Chief Operating Officer is responsible for voting proxies and for responding to inquiries from TW's clients.

Proxy voting guidelines and information on how a client's securities were voted can be obtained at any time by contacting the TW client representative.

## **ITEM 18**

### **Financial Information**

#### **Prepayment of Fees**

TW does not require prepayment of fees by clients six months or more in advance and as such is not required to provide a balance sheet for the most recent fiscal year with this disclosure brochure.

#### **Financial Condition**

TW is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.