

FORM ADV BROCHURE  
January 15, 2012

FORM 2A

Item 1

Name and Address of Investment Adviser:

Firsthand Capital Management, Inc.  
150 Almaden Blvd., Suite 1250  
San Jose, CA 95113

Telephone Number: (408) 886-7096

E-mail Address: info@firsthandcapital.com

Website: http://firsthandcapital.com

**This brochure provides information about the qualifications and business practices of Firsthand Capital Management, Inc. (“Adviser”). Prior to January 1, 2012, the Adviser was named SiVest Group, Inc. If you have any questions about the content of this brochure, please contact us at (408) 886-7096 or at info@firsthandcapital.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Adviser refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, Adviser is subject to the rules and regulation adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser is not an indication that Adviser or its directors, officers, employees or representatives have attained a particular level of skill or ability.**

## TABLE OF CONTENTS

<b><u>Item No.</u></b>	<b><u>Item Description</u></b>	<b><u>Page</u></b>
2	Material Change to ADV Brochure Since Last Annual Amendment.....	3
4	Advisory Business .....	3
5	Fees and Compensation .....	3
6	Performance-Based Fees and Compensation.....	4
7	Types of Clients .....	5
8	Methods of Analysis, Investment Strategies and Risk of Loss.....	5
9	Disciplinary Information.....	8
10	Other Financial Industry Activities or Affiliations .....	8
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
12	Brokerage Practices .....	11
13	Review of Accounts .....	13
14	Client Referrals and Other Compensation .....	14
15	Custody .....	14
16	Investment Discretion .....	14
17	Voting Client Securities .....	15
18	Financial Information.....	16

## **Item 2**

### **Description of Material Change Since Last Annual Amendment**

Firsthand Capital Management, Inc. (formerly named SiVest Group, Inc.) changed its name to Firsthand Capital Management, Inc. on January 1, 2011. There has been no change in our ownership, legal structure, management, business operations, business address or phone numbers. The name change is part of an ongoing effort to consolidate our brands under the Firsthand name.

## **Item 4**

### **Advisory Business**

#### **A. Advisory Firm**

Adviser is a California corporation that commenced operation in May 2009 and is owned and controlled by Kevin Landis.

#### **B. Specialization**

Adviser generally provides investment advice on a variety of U.S. and foreign investment products, including publicly traded and privately placed equity securities. Adviser specializes in investments in the technology and alternative energy sectors.

#### **C. Advisory Services**

Adviser provides investment advisory services with respect to one or more investment companies (each, an “Investment Company”) registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940, as amended.

#### **D. Wrap Fee Programs**

Not applicable.

#### **E. Assets Under Management (as of 12/31/2011)**

*Discretionary:* \$197 million

*Non-Discretionary:* \$0

## **Item 5**

### **Fees and Compensation**

#### **Private Investment Funds**

- A. *Types of Fees.* Not applicable.
- B. *Payment Method.* Not applicable.
- C. *Costs and Expenses.* Not applicable.
- D. *Refunds.* Not applicable.
- E. *Sales Compensation.* Not applicable.

### **Registered Investment Companies**

- A. *Types of Fees.* The fees and compensation paid to Adviser by each Investment Company are described in each Investment Company's prospectus (each Investment Company is also called a "Fund"). A copy of each Investment Company's prospectus is available through the SEC's website at [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).
- B. *Payment Method.* The fees and compensation paid to Adviser will be paid in accordance with Adviser's investment management agreement with each Investment Company by deduction from each investor's account in the Investment Company on the day on which such fees and compensation accrue and become payable.
- C. *Costs and Expenses.* In addition to the fees and compensation described above, an investment by an investor in an Investment Company is subject to the fees, expenses or charges described in the Investment Company's prospectus. Such fees, expenses and charges include, but are not limited to, fees incurred for legal, audit and custodial services provided to the Investment Company and transactions effected for the Investment Company such as brokerage and execution charges, markups and commissions. For additional information regarding brokerage and execution charges, see Item 12 below.
- D. *Refunds.* Not applicable.
- E. *Sales Compensation.* Not applicable.

### **Item 6**

#### **Performance-Based Fees and Compensation**

Adviser receives performance-based compensation from one Investment Company that it manages: Firsthand Technology Value Fund, Inc. (a SEC registered closed end fund which has elected to be treated as a business development company) under the terms of its management agreement with that fund and applicable law. Fees charged to separate client accounts based on performance would be charged only in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940, as amended. Performance-based compensation may create an

incentive for Adviser to cause a Fund to make investments that are riskier than it would otherwise make.

In the event that some client accounts to which Adviser provides investment advisory services are charged a performance-based compensation but not others, a conflict may arise where Adviser has an incentive to treat some client accounts preferentially as compared to others because those client accounts pay a performance-based compensation or because Adviser or one of its portfolio managers or affiliates has an interest in the client account. Adviser has adopted a policy to allocate portfolio transactions and investment opportunities across multiple client accounts on a fair and equitable basis over time. All eligible accounts that can participate in a transaction share the same price on a pro rata allocation basis in an attempt to mitigate any conflict of interest. Investment opportunities are allocated among similarly managed accounts to maintain consistency of portfolio strategy, taking into account cash availability, investment restrictions and guidelines, and portfolio composition.

Since management fees and performance-based compensation paid to Adviser are based on the net asset value of a Fund, a conflict may also arise when Adviser or a related person is valuing the assets held by the Fund. Assets will generally be valued according to the valuation procedures for each Fund. For securities that do not have a readily available market value, they will be valued at fair value by Adviser or its related person in accordance with U.S. generally accepted accounting practices according to the Fund's fair value procedures that have been adopted after review by the Fund's board including its independent members.

## **Item 7**

### **Types of Clients**

#### **Registered Investment Companies**

Adviser serves as the investment manager to Firsthand Technology Value Fund, Inc. (Ticker: "SVVC"), a Maryland corporation that is a SEC registered closed end fund which has elected to be treated as a business development company. Adviser also serves as the investment manager to the following series of a registered investment company: Firsthand Technology Leaders Fund, Firsthand Technology Opportunities Fund, and Firsthand Alternative Energy Fund, each a series of Firsthand Funds, a Delaware statutory trust.

Firsthand Funds is currently preparing a proxy statement to seek shareholders' approval to merge Firsthand Technology Leaders Fund ("TLF") into Firsthand Technology Opportunities Fund. ("TOF"). If the shareholders of TLF were to approve merger at a shareholders meeting scheduled for the second quarter of 2012, closing is expected to occur in the second quarter of 2012.

## **Item 8**

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

#### **A. Methods of Analysis and Investment Strategies**

*Investment Analysis.* Investments for each Fund are identified and selected by the Adviser. Adviser evaluates investments for each Fund based primarily on an intensive due diligence process and critical analysis of each potential portfolio company's business fundamentals (e.g. financial performance, market share, profit growth and growth potential). Following an investment by a Fund, Adviser will continue to monitor the progress and suitability of portfolio investments.

To help develop its investment recommendations, Adviser may use commercially available information services and financial publications dealing with investment research, securities law and taxation. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses), private placement due diligence materials, and research releases prepared by third parties are also utilized. Adviser also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts. Adviser may also obtain information by meeting with issuer's management, customers or competitors, attending industry conferences and consulting with experts in the appropriate field.

***Investments in securities involves risk of loss that investors in a Fund must be prepared to bear.***

*Investment Strategies.* The investment strategy of SVVC is to invest at least 80% of its total assets for investment purposes in technology companies. SVVC considers technology companies to be those companies that derive at least 50% of their revenues from products and/or services within the information technology sector or the so-called "cleantech" sector. Information technology companies include, but are not limited to, those focused on computer hardware, software, telecommunications, networking, Internet, and consumer electronics. While there is no standard definition of cleantech, it is generally regarded as including goods and services designed to harness renewable energy and materials, eliminate emissions and waste, and reduce the use of natural resources. In addition, under normal circumstances the SVVC will invest at least 70% of its assets in private venture capital companies and in public companies with market capitalizations less than \$250 million.

The investment strategy for Firsthand Technology Leaders Fund ("TLF") is to invest at least 80% of the Fund's assets in high-technology companies. TLF considers a high-technology company to be one that employs a relatively high degree of engineering and/or scientific intensity to deliver its products or services. The Adviser invests TVF's assets primarily in equity securities of high-technology companies that the Adviser believes hold dominant competitive positions in high-growth industries.

The investment strategy for Firsthand Technology Opportunities Fund ("TOF") is to invest at least 80% of the Fund's assets in high-technology companies. TOF considers a high-technology company to be one that employs a relatively high degree of engineering and/or scientific intensity to deliver its products or services. TVF invests the Fund's

assets primarily in equity securities of high-technology companies in the industries and markets that we believe hold the most growth potential within the technology sector.

The investment strategy for Firsthand Alternative Energy Fund (“AEF”) is to invest at least 80% of the Fund’s assets in alternative energy and alternative energy technology companies. Alternative energy currently includes energy generated through solar, hydrogen, wind, geothermal, hydroelectric, tidal, biofuel, and biomass. Alternative energy technologies currently include technologies that enable energies to be tapped, stored, or transported, such as fuel cells; services or technologies that conserve or enable more efficient utilization of energy; and technologies that help minimize harmful emissions from existing energy sources, such as helping to reduce carbon emissions. AEF may also engage in short sales. AEF may also from time to time, as part of its principal investment strategies, invest a substantial portion of its assets in cash or cash equivalents.

## **B. Investment Strategy Risks**

The Funds are intended for investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with Adviser and can accept a potential loss of some or all of their investment. Investment risks specific to the investment strategy of each Fund are described in each Fund’s Prospectus and Statement of Additional Information. For each Firsthand Funds, such risks may include (but are not limited to):

- *General Securities Market Risk.* Because the return on and value of an investment in a Fund will fluctuate in response to stock market movements, the most significant risk of investing in a Fund is that investors may lose money. Stocks and other equity securities are subject to market risks and fluctuations in value due to earnings, economic conditions, and other factors beyond the Adviser’s control. Each Fund is for long-term investors who can accept the risks of investing in a fund with significant equity holdings in high-technology industries.
- *Technology Investment Risk.* Each Fund concentrates its investments in the technology sector, which is a very volatile segment of the market. The nature of technology is that it is rapidly changing. Therefore, products or services that may initially look promising may subsequently fail or become obsolete. In addition, many technology companies are younger, smaller and unseasoned companies which may not have established products, an experienced management team, or earnings history.
- *Non-Diversification Risk.* The Funds are non-diversified. A risk of being non-diversified is that a significant change in the value of one company will have a greater impact on the Fund than it would if a Fund diversified its investments. A non-diversified investment strategy may expose investors to greater-than-average financial and market risk, therefore an investment in a Fund is not a balanced investment program.
- *Small-Cap Companies Risk.* Each Fund may invest a substantial portion of their assets in small-capitalization companies. Although smaller companies may have potential for rapid growth, they are subject to wider price fluctuations due to factors inherent in their size, such as lack of management experience and financial resources and limited trade volume and frequency. To make a large sale of securities of smaller companies that trade in

limited volumes, the Funds may need to sell portfolio holdings at a discount or make a series of small sales over an extended period of time.

- **Foreign Securities Risk.** Each Fund may invest in companies that trade on U.S. exchanges as American Depositary Receipts (“ADRs”), on foreign exchanges, or on foreign over-the-counter markets. Investments in foreign securities involve greater risks compared to domestic investments. Foreign companies may not be subject to the regulatory requirements of U.S. companies, so there may be less publicly available information about foreign issuers than about U.S. companies. Foreign companies generally are not subject to uniform accounting, auditing, and financial reporting standards. Dividends and interest on foreign securities may be subject to foreign withholding taxes. Such taxes may reduce the net return to the Fund’s shareholders. Foreign securities are often denominated in a currency other than the U.S. dollar. Accordingly, the Funds will be subject to the risks associated with fluctuations in currency values, which may decline against the U.S. dollar. Each Fund is permitted to hedge that currency risk, but it normally does not intend to do so. Although the Funds generally will invest only in foreign securities of issuers that are domiciled in nations considered to have stable and friendly governments, issuers of foreign securities still may be subject to the risk of expropriation, confiscation, taxation, currency blockage, or political or social instability, any of which could negatively affect the Funds.

## **Item 9**

### **Disciplinary Information**

Not applicable.

## **Item 10**

### **Other Financial Industry Activities or Affiliations**

**A. Registration as a Broker-Dealer or Registered Representative**

Not applicable.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person**

Not applicable.

**C. Material Relationships**

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*  
Not applicable.
2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)*



See Item 7 above. Investors in a Fund must understand that each Fund was formed as an investment product to be managed by Adviser, and that Adviser does not intend to cause any Fund to terminate its investment management relationship with Adviser absent Adviser's liquidation or bankruptcy. However, Adviser has a fiduciary duty to act in the best interest of each Fund that it manages, and investors in each series of Firsthand Funds have the right to withdraw from any Firsthand Funds at any time subject to the redemption rules set forth in the then current prospectus. Investors in the SVVC do not have the right to redeem their shares from the SVVC. Instead, shares of the SVVC have to be sold on the secondary market.

In addition, neither Adviser nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Fund. Adviser and its related persons intend to devote as much time as they deem necessary for the conduct of each Fund's operation and portfolio management, and will allocate investment opportunities in accordance with Adviser's trade allocation policy described in Item 6 above.

3. *other investment adviser or financial planner*

Not applicable.

4. *futures commission merchant, commodity pool operator, or commodity trading adviser*

Not applicable.

5. *banking or thrift institution*

Not applicable.

6. *accountant or accounting firm*

Not applicable.

7. *lawyer or law firm*

Not applicable.

8. *insurance company or agency*

Not applicable.

9. *pension consultant*

Not applicable.

10. *real estate broker or dealer*

Not applicable.

11. *sponsor or syndicator of limited partnerships*

Adviser or a related person of Adviser is the general partner and/or management shareholder of a limited partnership that Adviser manages. See response (ii) above.

**D. Recommendation of Other Investment Advisers**

Not applicable.

## **Item 11**

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

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

In order to address conflicts of interest, Adviser has adopted a code of ethics (the “Code”) which is applicable to all of Adviser’s officers, managers, members, and employees (collectively, “Employees”). Adviser’s Code generally sets the standard of ethical and professional business conduct that Adviser requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth Adviser’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that Adviser and each of its Employees owes to each advisory client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. Adviser will provide a copy of the Code to any client or prospective client upon request.

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

Adviser may solicit qualified clients to invest in a Fund or other investment vehicle sponsored or managed by Adviser (each, an “Adviser-related fund”). Because of the relationship between Adviser and any Adviser-related fund, Adviser could be considered to have recommended the investment as suitable for an account client if such person should invest in the fund. Adviser will inform each account client of its relationship with an Adviser-related fund prior to the client’s investment, but does not intend to advise account clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in an Adviser-related fund (except to the extent that Adviser receives management fees and performance-based fees from all fund investors).

#### **C. Personal Trading**

Adviser believes that if investment goals are similar for clients and for Employees of Adviser, it is logical and even desirable that there be common ownership of some securities. At the same time, Adviser recognizes that there is a risk that Employees will compete with client accounts or otherwise engage in personal securities transactions at the expense of a client’s interest. In order to maintain a high code of ethics, Adviser’s Code requires that all such transactions be carried out in a way that does not endanger the interest of any client. The Code establishes certain black-out periods, pre-clearance procedures and a quarterly securities transaction reporting system that is designed to monitor transactions in Employees’ personal accounts and prevent any conflicts that may arise between Employees’ personal securities transactions and transactions for clients of Adviser. For purposes of the policy, an Employee’s “personal account” generally includes any account (i) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (ii) for which the Employee is a trustee or executor, or (iii) which the Employee controls, including Adviser’s client

accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

**D. Concurrent Trading Activity**

Under Adviser's Code, Employees are generally subject to black-out periods surrounding securities transactions for client accounts.

**Item 12**

**Brokerage Practices**

**A. Selection of Broker-Dealers**

*Execution Quality.* In selecting brokers to effect portfolio transactions for clients, the Adviser allocates such transactions to such brokers and/or dealers for execution on such markets, at such prices, and at such commission rates (which may be in excess of the prices or commission rates that might have been charged for execution on other markets or by other brokers or dealers) as in the good faith judgment of the Adviser are appropriate. The Adviser takes into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors which may include (without limitation): (a) the execution capabilities of the broker-dealers (including, without limitation, order of call, whether the broker can provide special execution capabilities or block trading and block positioning capabilities, and whether the broker is willing to execute related or unrelated difficult transactions in the future); (b) research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice, market analysis, and access to research analysts and conferences), custodial, and other services provided by such broker-dealers which are expected to enhance the Adviser's general portfolio management capabilities; (c) the size of the transaction; (d) the difficulty of execution; (e) the operational facilities of the broker-dealers involved; (f) the risk in positioning a block of securities; (g) the availability of stocks for short trades; and (h) the quality of the overall brokerage and research services provided by the broker-dealer. Conflicts may arise between the client's interest in receiving best execution on transactions effected for its account and the Adviser's interest in receiving future client referrals from the specific broker. The Adviser does not allocate portfolio transactions by Funds or clients to broker-dealers in exchange for promotion or sale of the Funds' shares, as explained further below.

The Adviser may cause a client's account to pay a broker-dealer an amount of commission for effecting a transaction for the client's account in excess of the amount of commission another broker-dealer would have charged for effecting that transaction if the Adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer viewed in terms of either the particular transaction or the Adviser's overall responsibilities with respect to the accounts as to which the Adviser exercises investment discretion.

## **B. Aggregation of Orders**

The Adviser may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts managed by the Adviser or with accounts of affiliates of the Adviser. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. The Adviser may also cause a client to buy or sell securities directly from or to another client, if such a “cross-transaction” is in the interests of both such clients.

## **C. Soft Dollar Practices**

Generally. When an investment adviser considers the value of various products and services a broker-dealer may provide in addition to execution quality and selects a broker-dealer in recognition of services or products other than simply transaction execution, it is known as paying for those services or products with “soft dollars.” Because many of those services could be considered to provide some benefit to the Adviser, and because the “soft dollars” used to acquire them will be assets of the Adviser’s clients, the Adviser could be considered to have a conflict of interest in allocating client brokerage business. That is, the Adviser could receive valuable benefits by selecting a particular broker-dealer to execute client transactions and the transaction compensation charged by that broker-dealer might not be the lowest compensation the Adviser might otherwise be able to negotiate. In addition, the Adviser could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The Role of “Research” and Other Products and Services. “Research” products and services provided to the Adviser may include research reports on, or recommendations or other information about, particular companies or industries; economic surveys, data, and analyses; subscriptions to financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; consultations; third-party consultants providing research services; performance measuring data; access to investment analysts and investment conferences; other products or services that provide lawful and appropriate assistance to the Adviser in the performance of its investment decision-making responsibilities.

Current Types of Soft Dollar Services. To the extent the Adviser uses soft dollars, the Adviser will make decisions involving soft dollars in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. That is, before placing orders with a particular broker, the Adviser will determine, considering all the factors described here, that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In making that determination, the Adviser may consider

not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services in the Adviser's performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. And in some cases, a client's transactions may be executed by a broker in recognition of services or products that are not used in managing that client's account.

However, currently the Adviser has no traditional soft dollar arrangements where soft dollar credits are generated based on the level of the Adviser's trades, and then the Adviser directs a broker-dealer to spend those credits for products or services from third parties, nor does the Adviser expect to enter into such arrangements. The Adviser may, however, enter into arrangements where the Adviser receives research (including invitations to conferences) from brokers-dealers that the Adviser uses to execute client trades. The Adviser regards the research it receives in this manner as an incidental or "bundled" soft dollar benefit. Normally these bundled benefits are not specifically or formally tied to any level of commissions, but those broker-dealers may from time to time suggest a commission range that would be needed for the Adviser to continue to receive the same level of bundled benefits. The Adviser will monitor transaction results as orders are executed to evaluate the quality of execution provided by the various broker-dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those broker-dealers in line with the Adviser's Best Execution Policy and Soft Dollar Policy.

*Brokerage for Client Referrals.* Subject to applicable law and regulation, in selecting brokers for any securities transactions, Adviser may direct a portion of a client's brokerage business to brokers who introduce the client to Adviser. Because referrals could benefit Adviser, selecting a broker based on client referrals may give rise to a conflict of interest in allocating client brokerage business. Adviser will not allocate client brokerage business to a referring broker unless Adviser determines in good faith that the commissions and transaction costs payable to such broker are not materially higher than those available from other non-referring brokers offering services of similar execution quality.

*Directed Brokerage.* Not applicable.

## **Item 13**

### **Review of Accounts**

#### **A. Periodic Account Review**

All accounts are generally reviewed on a periodic basis by the Investment Company's portfolio manager. Account reviews focus on the review of all securities using fundamental and technical analysis.

## **B. Non-Periodic Account Review**

Not applicable.

## **Item 14**

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

#### **A. Compensation By Non-Clients**

Not applicable.

#### **B. Compensation for Client Referrals**

Subject to applicable law, Adviser may employ solicitors to whom it will pay either a portion of the advisory fees received from clients referred by such solicitors or cash at Adviser's own expense. In such cases, this arrangement will be disclosed in writing to the client and Adviser will comply with any other applicable requirements under Rule 206(4)-3 under the Investment Advisers Act. In particular, Adviser will ensure that each solicitor provides clients with a current copy of Adviser's Form ADV Brochure and the solicitor's written disclosure document.

## **Item 15**

### **Custody**

#### **Private Investment Funds**

Not applicable.

#### **Individually Managed Accounts**

Not applicable.

## **Item 16**

### **Investment Discretion**

Adviser has discretionary authority to make the following determinations without obtaining the consent of any Fund before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers through which securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are affected.

Adviser's discretionary authority is derived from the investment management agreement between the Adviser and each Fund.

## **Item 17**

### Voting Client Securities

Generally, and except to the extent that a client otherwise instructs Adviser in writing, Adviser will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held by a Fund in accordance with Adviser's proxy voting policies and procedures (the "Policies"). The Adviser believes that the right to vote proxies is a client asset. Therefore, in exercising such rights, the Adviser will attempt to maximize and protect the value of the security and to give the greatest economic benefit to the advisory client. The exclusive purpose shall be to provide benefits to the client by considering those factors that affect the value of the security with respect to which a proxy is issued. Under the Policies, the Adviser will exercise voting rights on all decisions that the Adviser has determined have a material effect on the value of the security.

As a general rule, the Adviser shall cause the proxies to be voted in the same manner as the issuer's management, unless there are compelling reasons not to do so, because confidence in management is one of the factors considered in making an investment. The Adviser shall take into consideration, however, that certain proposals in the area of corporate governance, anti-takeover measures, capitalization changes, and compensation programs may not be in the best interests of the relevant account and may, therefore, provide reasons for voting against management.

In accordance with the Policies, the Adviser will designate a third-party agent to review each proxy proposal, to provide recommendations for voting, and to cast votes on behalf of the Adviser's clients, subject to the review and approval by the Adviser of such recommendations prior to voting. A designated employee of the Adviser will review each third party agent proposal and recommendation and, with due consultation with the Proxy Committee, ensure that votes are cast on a timely basis.

The Policies establish the Proxy Committee, composed of members of the Adviser's portfolio management and research teams. The Proxy Committee will meet quarterly to review the proxies voted during the preceding quarter and to reaffirm or adjust the voting guidelines for the upcoming quarter. The Proxy Committee also will meet on an ad hoc basis whenever the Adviser believes that a vote should be cast in a way different from that recommended by the third party agent.

The Policies also address the issue of resolving conflicts of interest. To the extent a conflict of interest exists and the Adviser decides to vote against the recommendation of an independent third-party proxy administrator, the conflict must be identified and disclosed to the Proxy Committee. The Proxy Committee would need to review the conflict and all the surrounding facts and circumstances and to resolve the conflict in the best interests of the advisory client. An override of the independent third-party recommendation may be approved if the Proxy Committee believes that any potential conflict of interest does not outweigh the business rationale for the override or inappropriately affect the recommendation of the Proxy Administrator.

The voting record for each Fund are disclosed on the Fund's website. Upon request to Adviser, investors in a Fund may also obtain a copy of the Policies.

## **Item 18**

### **Financial Information**

**A. Prepayment of Fees**

Not applicable.

**B. Impairment of Contractual Commitments**

Not applicable.

### **Anti-Money Laundering Policy**

Adviser maintains policies designed to detect and report any activities that raise suspicions of money laundering activities, and may modify these policies from time to time. In that regard, Adviser requires prospective investors in each Fund to provide such information as Adviser deems necessary for Adviser to comply with applicable legal or regulatory requirements, including, without limitation, anti-money laundering requirements. Adviser may disclose information respecting investors to governmental and/or regulatory or self-regulatory authorities to the extent that Adviser deems required by applicable law or regulation and Adviser may file reports with such authorities as Adviser deems required by applicable law or regulation. If required by applicable law, regulation or interpretation thereof, Adviser may suspend all activity with respect to an investor's account in a Fund, including suspending the right to withdraw funds or assets from the Fund, pending Adviser's receipt of instructions from the appropriate governmental or regulatory authority.