

PART 2A OF FORM ADV – FIRM BROCHURE

SW ASSET MANAGEMENT LLC

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This brochure provides information about the qualifications and business practices of SW Asset Management LLC (“SW”). If you have any questions about the contents of this brochure, please contact us at (949) 207-6313 or bvenable@sw-assetmanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT SW OR ANY PRINCIPALS OR EMPLOYEES OF SW POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Material Changes

The following is a summary of only the **material** changes to the Brochure since SW's initial brochure that was created on November 1, 2010.

On February 14, 2011, SW obtained sub-advisory responsibility for the Forward International Fixed Income Fund, a registered investment company as defined in the Investment Company Act of 1940. Forward Management, LLC serves as the investment advisor.

Table of Contents

ADVISORY BUSINESS	4
FEES AND COMPENSATION	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
TYPES OF CLIENTS	8
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	9
DISCIPLINARY INFORMATION	20
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	20
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	21
BROKERAGE PRACTICES	22
REVIEW OF ACCOUNTS	23
CLIENT REFERRALS AND OTHER COMPENSATION	24
CUSTODY	24
INVESTMENT DISCRETION	25
VOTING CLIENT SECURITIES	25
FINANCIAL INFORMATION	26

SUPPLEMENT – BIOGRAPHIES OF KEY PERSONNEL

Advisory Business

SW is a limited liability company organized under the laws of Delaware in November, 2008. SW was founded by David C. Hinman and Raymond T. Zucaro. SW is 100% owned by its partners. The principal owners of SW are David C. Hinman and Raymond T. Zucaro.

SW provides its clients with discretionary investment advisory services focusing on global credit with an emphasis on emerging market credit investment opportunities.

SW is generally granted broad investment authority with respect to the management of the accounts of its clients. All client accounts are managed in an effort to maximize total return through capital appreciation and income from investments in public and private investment-grade, non-investment-grade and un-rated debt securities, loans, options, convertible debt and credit default swaps of corporate issuers and other financial instruments. SW has a global investment perspective and may invest a substantial portion of its assets in securities issued by companies domiciled in or with substantial operations in emerging market countries.

SW generally provides investment advisory services based on the investment objectives, risk profile, financial situation and cash flow needs of each client, as reflected in the confidential private placement memorandum, operating agreement, investment management agreement and/or other governing documents that apply to each client account (the “Governing Documents”). The Governing Documents may contain investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client’s account. SW may pursue different investment strategies for different clients.

As of March 29, 2011, SW provides discretionary investment advisory services to one private investment fund, the SWGCO Master Fund Ltd. (the “Fund”). The Fund’s primary investment objective is to maximize total return through capital appreciation and income from long and short investments in, without limitation, public and private investment-grade, non-investment-grade and un-rated debt securities, loans, options, convertible debt and credit default swaps of corporate issuers. The Fund has a global mandate and may invest a substantial portion of its assets in securities issued by companies domiciled in or with substantial operations in emerging market countries. Many of these emerging market countries have unstable governments and less developed legal systems. Investors and prospective investors in the Fund should refer to the Fund’s Governing Documents for more complete information on the investment objectives and investment restrictions with respect to the Fund. There is no assurance that the Fund’s investment objective will be achieved.

As of March 29, 2011, SW also serves as sub-advisor to one registered investment company, the Forward International Fixed Income Fund (the “Forward Fund”). Under normal conditions, the Forward Fund invests at least 80% of its net assets plus borrowings for investment purposes, if any, in a diversified portfolio of fixed income

securities of companies and governments located outside the United States. The Fund seeks to offer exposure primarily to euro- and U.S.-dollar-denominated fixed income securities of non-U.S. issuers and derivatives. The Forward Fund may invest up to 20% of its net assets plus borrowings for investment purposes, if any, in non-fixed income securities of companies and governments located outside the United States. The Forward Fund normally will invest its assets among at least fifteen but not fewer than eight countries throughout the world including countries considered to be emerging market countries. The Forward Fund will not invest more than 40% of its net assets in emerging market countries. An issuer of a security generally will be considered to be located in a particular emerging market country if it meets one or more of the following criteria: (i) the issuer is organized under the laws of, or maintains its principal place of business in, the country; (ii) during the issuer's most recent fiscal year, it derived at least 50% of its revenues or profits from goods or services produced or sold, investments made or services performed in the country; or (iii) the issuer has at least 50% of its assets in the country. Investors and prospective investors in the Forward Fund should refer to the Forward Fund's Governing Documents for more complete information on the investment objectives and investment restrictions with respect to the Forward Fund. There is no assurance that the Forward Fund's investment objective will be achieved.

SW may in the future provide advisory services, either on a discretionary or non-discretionary basis, to other private investment funds and managed accounts.

SW does not participate in any wrap fee programs.

SW manages all assets on a discretionary basis in accordance with the terms and conditions of each client's Governing Documents. As of March 29, 2011, the amount of assets SW manages on a discretionary basis is approximately \$20.3 million.

Fees and Compensation

Compensation and Fee Schedules

SWGCO Master Fund Ltd.

The basic fee charged to clients and investors is a management fee equal to 1.5% per annum, payable quarterly in advance, of each client or investor's capital account value as of the beginning of each calendar quarter. An additional management fee will be charged on a prorated basis on any capital contribution made by a client or investor on any date other than the first day of a calendar quarter.

In addition, at the end of each calendar year, SW Capital Partners, L.P., a Delaware limited partnership and an affiliate of SW ("SW Capital"), will receive a special allocation of net profits of the client or the Fund (the "Performance Allocation") equal to 20% of the portion of each client's or investor's pro rata share of the net realized and unrealized appreciation in the value of the assets of the client or the Fund for such calendar year in excess of any net depreciation allocated to such investor's capital

account and carried forward from any prior year (i.e., subject to a high-water mark). The Performance Allocation will also be calculated and payable as of the date of withdrawal with respect to any capital that is withdrawn as of any day other than the end of a calendar year. Any such loss-carry forward will be adjusted in proportion to withdrawals by an investor.

In certain circumstances, the advisory fees payable to SW and/or SW Capital may be negotiable. SW agreed to reduce its fees charged to the initial investors in the Fund. All clients and investors should review the Governing Documents in conjunction with this brochure for more complete information on the fees and compensation payable with respect to SW.

Clients, as well as investors and prospective investors in the Fund, should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. Different client accounts may be subject to different management fees and performance-based compensation arrangements.

Forward International Fixed Income Fund

As sub-advisor to the Forward International Fixed Income Fund, SW receives a sub-advisory fee of 0.35%.

Deduction of Fees

SWGCO Master Fund Ltd.

The management fee is usually deducted directly from each client or investor account as such fee becomes payable, which is generally quarterly in advance. The performance allocation is payable annually in arrears, or upon the termination of a client account.

SW is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the client, at the times and in the amounts described above.

Forward International Fixed Income Fund

Sub-advisory fees paid are computed and accrued daily and paid monthly based on the net asset value of shares of the Forward Fund. SW does not have authority to charge or deduct sub-advisory fees directly from the assets of the Forward Fund.

Other Fees and Expenses

SWGCO Master Fund Ltd.

Clients bear all expenses associated with their investment activities and operations, including brokerage commissions; clearing fees; research and data service costs; fees, interest and other costs on margin accounts or other borrowings; borrowing charges on securities sold short; accounting and legal fees and disbursements; audit and tax preparation expenses; custodial fees; bank service fees; investment and trading consultant expenses;

investment-related travel expenses; expenses in connection with proposed transactions (including transactions that fail to close); insurance costs; fees and expenses of the client's administrator and custodian; fees and expenses of the directors of the client; and expenses related to communicating with investors or holding annual meetings.

The section below titled "Brokerage Practices" describes the factors SW considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Forward International Fixed Income Fund

Fees and expenses are detailed in the Forward International Fixed Income Fund's Governing Documents. As sub-advisor, SW only receives a sub-advisor fee.

Transaction-Based Compensation

Neither SW nor its supervised persons will accept compensation for the sale of securities or other investment products by any client, including the Fund.

Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

SWGCO Master Fund Ltd.

SW Capital ordinarily receives a performance allocation as described more fully above under "Compensation and Fee Schedules." The performance-based allocation arrangement discussed above complies with Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act"). Performance allocations paid to SW Capital are separate and distinct from the advisory fees charged by SW for advisory services.

Performance-based compensation arrangements received by SW Capital may create an incentive for SW to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

In addition, different client accounts may be subject to different performance-based compensation arrangements. If SW, or its affiliates, is entitled to receive a higher percentage of the net profits of the account of one client than the percentage that SW, or its affiliate, receives from another client, then SW may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the client that is subject to the higher percentage. However, SW anticipates that all accounts will generally be invested on a parallel basis, except as otherwise discussed with or agreed to by a particular client. SW will, as a policy, allocate all investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. Among the factors that may be considered by SW in allocating trades among client accounts are: investment policies, guidelines or restrictions; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations;

available credit lines; counterparty arrangements; account size; benchmark sector weightings; industry and security weightings; and hedging objectives and activity.

Types of Clients

SWGCO Master Fund Ltd.

SW provides advice to the SWGCO Master Fund Ltd. (the “Fund”) and to the Forward International Fixed Income Fund (the “Forward Fund”) and may in the future provide advice to other managed accounts. The investors in the Fund may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. The Fund is offered exclusively to “accredited investors” as defined in Regulation D under the Securities Act of 1933 (the “Securities Act”) and “qualified purchasers” pursuant to Section 3(c) (7) of the Investment Company Act of 1940 (as amended, the “Company Act”), and therefore is not required to register as an investment company under the Company Act in reliance upon an exemption available to funds whose securities are not publicly offered.

SW has established onshore and offshore feeder funds (“Feeder Funds”) to address certain tax or regulatory requirements of specific investors. Prospective investors should refer to the Governing Documents of the Fund and the Feeder Funds for more complete details on each Feeder Fund.

Forward International Fixed Income Fund

SW provides sub-advisory service to the Forward International Fixed Income Fund (the “Forward Fund”). Forward Fund shares are offered by various financial intermediaries as well as by ALPS Distributors, Inc. The investors in the Forward Fund may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. The Forward Fund has 3 share classes.

SW may also provide investment management and supervisory services to separate account clients.

Minimum Investment Requirements

SWGCO Master Fund Ltd.

SW and its related persons require that each investor in the Fund be an “accredited investor” as defined in Regulation D under the Securities Act and a “qualified purchaser” as defined in the Company Act.

Generally, investors must invest a minimum dollar amount of \$1,000,000 to invest in the Fund. SW may waive the minimum investment amount.

Forward International Fixed Income Fund

The Forward International Fixed Income Fund’s Governing Documents provide details on minimum investment requirements.

Methods of Analysis, Investment Strategies and Risk of Loss

The following is a general discussion of the methods used by SW in its investment advisory services provided to clients. Each client may contain investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client's account. SW will manage each client's portfolio according to these investment restrictions or guidelines; all strategies detailed below may not be utilized for a specific client given these parameters.

Methods of Analysis

Investments, and potential investments, are analyzed by SW's investment professionals using three key principles: (i) long credit positions should be hedged; (ii) fundamental analysis is necessary but not sufficient, and (iii) emerging market corporate instruments are under-followed and under-appreciated.

Credit markets are subject to periods of extreme volatility and SW strives to hedge these risks where possible. While fundamental analysis is a critical part of the investment process, thoroughly understanding technical factors such as exogenous shocks are extremely important to security selection and portfolio construction. SW's portfolios will have substantial investments in corporate securities issued by companies in developing countries. The present investment market structure tends to favor developed market debt instruments over those of less developed countries, leading to wide valuation disparities. SW will seek to capitalize on the various factors of the inefficient emerging market corporate bond market.

The investment process is currently an iterative multi-step process conducted by SW's investment professionals. Investment ideas originate from SW's ongoing coverage of the secondary markets as well as extensive industry contacts. After an initial review, SW may choose to conduct a more in-depth fundamental investment analysis of a particular investment. Such additional analysis will generally be tailored to the perceived risk profile of the potential investment target, and will typically involve specific quantitative and qualitative assessments of multiple factors, including a company's business model, operating strength, cash flow and financial prospects. Should the conclusion of the fundamental analysis result in a buy or sell decision, analysis of technical factors (such as holder composition and forced-sale triggers) would follow. Once an investment resides in the portfolio, exit catalysts are constantly monitored relative to other available investments. Throughout the process and if suitable for the client's portfolio, SW looks for opportunities and instruments to hedge the portfolio's long holdings. Critical to the hedging strategy is the identification of risk factors, in addition to a company's operations, that could result in significant price impairment to the position. Hedge instruments are employed that SW believes possess the best cost-benefit ratio relative to what is being hedged.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that SW will be able to choose, and that clients will be able to make and/or realize, any particular investment or that clients will be able to generate positive returns. Clients and investors in the funds should be prepared to bear a risk of loss and should carefully consider, among other factors, the following material risks involved with SW's investment strategies. Clients and investors in the funds should refer to the applicable Governing Documents for complete information on investment strategies employed by SW and the corresponding risks associated with such investment strategies.

Limited Operating History. SW has only a limited operating history. There can be no assurance that SW will achieve its investment objective. The past investment performance of other accounts managed by the principals of SW may not be indicative of the future results of an investment in an account managed by SW.

Investment and Trading Risks in General. All investments risk the loss of capital. No guarantee or representation is made that SW's investment portfolios will be successful, and investment results may vary substantially over time. SW's investment program may utilize investment techniques such as futures, options, derivatives, margin transactions and short sales, which practices can, in certain circumstances, maximize the adverse impact to which the investment accounts may be subject.

Investing in Emerging Markets. SW will invest in both developed and emerging markets. Investments in emerging markets instruments, while generally providing greater potential opportunity for capital appreciation and higher yields than investments in more developed market instruments, may also involve greater risk. There can be no assurance that adverse political and economic risks will not cause the client portfolios to suffer a loss in respect of any of their holdings.

Emerging markets may be subject to economic, social and political risks not applicable to instruments of developed market issuers. In addition, emerging market instruments are often subject to higher volatility, and may be less liquid, than comparable developed market instruments. There can be no assurance that a liquid secondary market for emerging markets instruments will exist at any specific time.

Brokerage commissions, custodial services, clearance, settlement, and other procedures relating to investment activities may generally involve additional costs and delays in emerging markets relative to developed markets. The inability of SW to make intended instrument purchases due to settlement problems could cause SW to miss attractive investment opportunities. Inability to dispose of instruments due to settlement problems could result either in losses to the clients' portfolios due to subsequent declines in value of the instrument, or, if SW has entered into a contract to sell the instrument, could result in possible liability to the purchaser.

Fixed Income Investments. SW will invest primarily in bonds, loans and other fixed-income securities and instruments, including, without limitation, second lien

loans, mezzanine debt, unsecured debt and other “higher yielding” (and, therefore, higher risk) debt securities and instruments. Such securities and instruments will be primarily below “investment grade” or non-rated and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the obligor’s inability to meet timely interest and principal payments. The market prices, if any, of such investments are also subject to abrupt and erratic market movements, changes in liquidity and above-average price volatility. The spread between the bid and asked prices of such investments may be greater than those prevailing in other more liquid markets.

Limited Diversification. Subject to compliance with the client’s investment objectives, SW may concentrate portfolios’ investments in particular industries and companies. Losses incurred in the portfolios’ more concentrated positions could have a material adverse effect on the portfolios’ overall financial condition. In addition, if the price of any of the portfolios’ investments decreases and SW is unable for any reason to liquidate the position quickly or at a relatively advantageous price, the effect of such decrease on clients’ portfolios would be greater than if the portfolio had not concentrated its assets in such a position.

Macroeconomic Factors. The performance of client portfolios’ investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the client portfolios’ investments). Such macroeconomic factors include the recent economic downturn and continuing uncertainties affecting economies and capital markets worldwide; incidents of terrorism, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and recent and proposed changes to laws and regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

Credit Risk. Risks applicable to investments made by SW also include the possibility that cash flows of an obligor of an underlying asset may be unable to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of an obligor of such asset during periods of rising interest rates and economic downturn. Further economic downturn could disrupt the market for leveraged loans and adversely affect the value thereof and the ability of the obligor thereunder to repay principal and interest.

Prepayment Risks. The frequency at which prepayments (including voluntary prepayments and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. The upside potential of an investment prepayable at par may be limited, and unexpected prepayments may disrupt related hedges, resulting in substantial losses.

Hedging Transactions. SW is not required to hedge portfolio positions in client portfolios, but may determine to do so. Hedging may limit gains, while not hedging and imperfect hedging may result in losses or may fail to fully mitigate losses.

SW's hedging strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors.

Synthetic and Other Derivative Assets. SW may invest in synthetic assets such as credit linked notes, CDS indices, tranches options, and TRS, and engage in credit default swaps and Loan CDS transactions, in lieu of investing in bonds or loans in "cash" form. Such transactions do not perfectly replicate direct ownership of the referenced or underlying assets, and present additional risks, such as exposure to the creditworthiness of the counterparty, leverage, and relatively lower liquidity.

All of the reference obligations in respect of such synthetic or derivative assets will generally consist of the types of assets in which SW would otherwise be permitted to invest. These obligations are subject to a number of risks, including prepayment risk, credit risk, liquidity risk, structural risk, legal risk, counterparty risk and interest rate risk, which may be different from those of other types of debt obligations. The performance of a reference obligation may be affected by a variety of factors, including the amount and timing of payments and recoveries on the underlying assets.

Distressed Securities. It is expected that a substantial portion of client portfolios' underlying investments will be rated below investment grade, including debt of companies in bankruptcy or receivership proceedings, and will have greater credit and liquidity risk than debt with an investment grade rating. The risks of debt instruments include (among others): (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the relevant obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for (or actual) insolvency of the relevant obligor of such debt during periods of economic downturn, (iv) the relevant obligor is often a small or mid-size company serving only local or regional interests, (v) spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received, and (vi) if subordinated, subordination to the prior claims of other debt or senior lenders. Debt instruments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for debt instruments and adversely affect the value of outstanding debt and the ability of the borrowers thereof to repay principal and interest. Moreover, the default history for debt instruments is limited; actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

In certain circumstances, the collateral securing a debt instrument, if any, might not be sufficient to satisfy the relevant obligor's obligations in the event of nonpayment of scheduled interest or principal, and may be difficult to liquidate on a timely basis. Additionally, a decline in the value of the collateral could cause the debt to become substantially unsecured, and circumstances could arise (such as in the bankruptcy of a borrower) which could cause the security interest in the debt instrument's collateral to be invalidated.

Client portfolios may also include unsecured debt instruments. Unsecured debt instruments are subject to the same investment risks generally applicable to debt instruments described above but are subject to additional risk that the assets and cash flow of the relevant obligor may be insufficient to repay the scheduled payments to the lender after giving effect to any secured obligations of the relevant obligor. Unsecured debt instruments will be subject to certain additional risks to the extent that such debt may not be protected and such debt is not secured by collateral, financial covenants or limitations upon additional indebtedness. Unsecured debt instruments are also expected to be more illiquid than senior secured debt instruments for this reason.

Equity Securities. SW may acquire long or short positions in common stocks, preferred stocks and convertible securities of U.S. and foreign issuers. Equity securities will ordinarily only be acquired in connection with restructurings or the exercise of rights attached to warrants, options or convertible securities. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

Investment in Reorganizations. SW intends to make investments in companies that are experiencing or are expected to experience severe financial difficulties, including companies undergoing reorganization. These severe financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. In such situations, the portfolio investment may be subject to the risk that a bankruptcy filing may adversely and permanently impact the value of a company and that high administrative costs may impair the value of the company. Such investments could subject client portfolios to certain additional potential liabilities that may exceed the value of the portfolios' original investment therein. Investments in distressed companies may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Having a "blocking position" in a security that is subject to a plan of reorganization entails significant risks if SW's evaluation of the anticipated outcome of the investment situation should prove incorrect. An investment in a company involved in a reorganization proceeding entails significant risks and may be adversely impacted if SW's evaluation of the anticipated outcome of the investment situation should prove incorrect.

Some of the investments SW will make may require active monitoring and representation on official and unofficial creditors' committees for a company involved in a reorganization proceeding. Accordingly, SW may seek representation on such committees from time to time if SW, in its discretion, determines that such representation is necessary or advisable to protect or further the client portfolio's interests. Serving on an official or unofficial committee increases the possibility that SW will be deemed an "insider" or a "fiduciary" of the company it has so assisted and may restrict SW's trading of its investments in such company and exposes the person serving on the committee to

litigation risks. Should such assistance be provided before a company enters bankruptcy proceedings, the bankruptcy court, under certain conditions such as a finding of fraud or inequitable conduct, may invoke the doctrine of “equitable subordination” with respect to any claim or equity interest held by client portfolios in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination may also arise outside of the context of SW’s committee activities. In addition, if representation of a creditors’ committee of a company causes SW to be deemed an affiliate of the company, the securities of such company held by client portfolios may become restricted securities, which are not freely tradable.

Illiquidity of Debt Instruments. Debt instruments and interests in debt instruments have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by certain banks and other institutional investors. In such cases, the primary resale opportunities for such debt instruments are privately negotiated transactions with a limited number of purchasers. This may restrict the ability of SW to dispose of investments in a timely fashion and/or at a favorable price. The inability to dispose of a debt instrument position could result in losses to client portfolios, including the loss of their entire investment. The debt of highly-leveraged companies or companies in default also may be less liquid than other debt. If SW voluntarily or involuntarily sold its interest in those types of debt securities, it may not receive the full value that it expected.

Highly-Leveraged Borrowers. The issuers of debt in which SW may invest are likely to be highly leveraged. Although the client portfolio’s debt instruments may be in the senior position of the capital structure, a borrower’s leverage may adversely impact the client portfolio in a number of ways, such as creating a greater possibility of default or bankruptcy of the borrower. It is also possible that the pledging of collateral (if any) to secure the debt could be found to constitute a fraudulent conveyance or preferential transfer which would be nullified or subordinated to the rights of other creditors of the borrower under applicable law.

Convertible Instruments. SW may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock, or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. Convertible debt instruments have characteristics of both fixed income and equity investments. SW may invest in convertible instruments that have varying conversion values. If a convertible instrument held by a client portfolio is called for redemption, SW will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent SW determines that such equity investment is consistent with the investment objective of the client portfolio.

Futures. Futures prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. SW trades futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement in

a futures contract may result in immediate and substantial gains or losses for client portfolios.

Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent SW from promptly liquidating unfavorable positions, subjecting client portfolios to substantial losses. In addition, the U.S. Commodity Futures Trading Commission ("CFTC") and various exchanges impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For purposes of complying with speculative position limits, client portfolios' outright futures positions will be required to be aggregated with any futures positions owned or controlled by SW or any principal of SW. As a result, client portfolios may be unable to take futures positions in particular futures or may be forced to liquidate positions in particular futures.

Unlike trading on U.S. commodity exchanges, trading on non-U.S. commodity exchanges is not regulated by the CFTC and may be subject to greater risks than trading on U.S. exchanges. For example, some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless SW hedges against fluctuations in the exchange rate between the U.S. dollar (in which interests in client portfolios are denominated) and other currencies in which trading is done on non-U.S. exchanges, any profits that client portfolios might realize in trading could be reduced or eliminated by adverse changes in the exchange rate, or client portfolios could incur losses as a result of those changes.

Short Sales. SW will engage in "short sale" transactions. A short sale involves the sale of a security that the client portfolio does not own in the hope of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, SW must borrow the security, and SW is obligated to return the security to the lender, which is accomplished by a later purchase of the security. Short selling can result in profits when the prices of the securities sold short decline. In a generally rising market, short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value. A short sale involves the theoretically unlimited risk of an increase in the market price of the securities sold short.

Leverage. SW may, depending on the suitability for each client, use significant "leverage", or borrowing, in order to enhance its investment performance. There may be no restrictions on the borrowing capacity other than limitations imposed by lenders and any applicable credit regulations. Loans generally may be obtained from securities brokers and dealers or from other financial institutions, and will be secured by securities or other assets of client portfolios pledged to such institutions. Borrowing will tend to magnify the profits or losses of the portfolio. The level of interest rates at which SW can borrow will affect the operating results of the client portfolio. If securities pledged to brokers to secure the portfolio's margin accounts decline in value, the portfolio could be subject to a "margin call," pursuant to which the portfolio must either

deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the portfolio's assets, SW might not be able to liquidate assets quickly enough to pay off the margin debt.

Loans. SW may invest in loans. Loans include fixed and floating rate loans arranged through private negotiations between one or more financial institutions and an obligor in an emerging country. Although loans are traded among certain financial institutions, some of the loans SW may invest in will be considered illiquid.

Loan Participations. SW may invest in loan participations. Investment in loan participations involves certain risks in addition to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default, and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have voting rights, which are retained by the lender. In addition, a loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan. SW will acquire participations only if the seller of the participation is determined by SW to be credit worthy.

Foreign Investments. SW may invest in foreign or domestic securities denominated in foreign currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign 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. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. Settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular countries than in the United States.

Additional costs could be incurred in connection with international investment activities. Foreign brokerage commissions generally are higher than in the

United States. Expenses also may be incurred on currency exchanges when SW changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization, and record access) may be associated with the maintenance of assets in foreign jurisdictions.

Sovereign Debt. SW may invest in debt securities issued by governments and their agencies, including governments of emerging markets. Investing in instruments of government issuers in emerging markets may involve significant economic and political risks. Holders of certain emerging markets instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. The interests of holders of emerging markets instruments could be adversely affected in the course of restructuring arrangements. The issuers of the sovereign debt securities in which SW expects to invest have in the past experienced serious difficulties in servicing their external debt obligations. These difficulties have, among other effects, forced such countries to reschedule interest and principal payments on obligations, and to restructure certain indebtedness. Rescheduling and restructuring arrangements have included reducing and rescheduling interest and principal payments by negotiating new or amended credit agreements, or converting outstanding principal and unpaid interest to “Brady Bonds” or similar instruments, and obtaining new credit to finance interest payments. Sovereign debt rated below investment grade by Moody’s and S&P is regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations.

Investment in emerging markets may expose client portfolios to local risks such as counterparty, repatriation, exchange control or other monetary restrictions, taxation risks, and special considerations due to limited publicly available information, less stringent regulatory standards, and lack of uniformity in accounting.

Certain emerging countries require prior governmental approval of investments by foreign persons, limit the amount of investment by foreign persons in a particular company, limit the investment by foreign persons only to a specific class of securities of a company that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries, or may impose additional taxes on foreign investors. Certain emerging countries may also restrict investment opportunities in issuers in industries deemed important to national interests.

Currencies. SW may invest in debt and equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. However, SW client portfolios value their securities and other assets in U.S. dollars. To the extent unhedged, the value of the portfolio’s assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the portfolio’s investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the client portfolio makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the portfolio’s securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the

opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-U.S. dollar securities.

Forward Currency Contracts. SW may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent SW wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that SW will be able to close out its obligations.

There are no limitations on daily price moves in forward contracts. Banks and other financial institutions with whom SW may maintain accounts may require SW to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. governmental agency. Client portfolios will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

Options. SW may invest in, or write, options. The purchaser of a put or call option runs the risk of losing his, her or its entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

Swaps and Derivatives. SW may invest and trade in swaps, "synthetic" or derivative instruments, certain types of options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between SW and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and credit worthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and SW may not be able to enter into an offsetting contract in order to be able to cover its risk.

Counterparty and Custody Risks. SW is generally not limited in the amount of its assets that may from time to time be subject to the risk of non-performance by a counterparty. Many of the markets in which SW may trade are “over-the-counter” or “interdealer” markets. Client portfolios could suffer losses if there were a default or bankruptcy by a bank or brokerage firm that holds securities or other assets of the portfolio. A substantial portion of the securities and other assets of client portfolios may be deposited with banks or brokers as collateral to secure borrowings and other obligations of client portfolios, and accordingly will not be entitled to the same protection in the event of the insolvency of the bank or brokerage firm as assets held in the name of client portfolios by a bank or brokerage firm. While care is taken in selecting reputable financial institutions to trade with and hold custody of the assets of client portfolios, any such financial institutions could become insolvent. In the event of the failure of a brokerage firm holding assets of client portfolios, SW might not have the right to recover all securities held by the broker, and might under certain circumstances instead have only a claim (which may be unsecured) against the broker for the net value of the assets of the portfolio held by the broker.

Assets held by a custodian or broker may be held in the name of the custodian or broker in a securities depository, clearing agency or omnibus customer account of such custodian or broker. Assets held in the United States by a custodian in a segregated account or by a broker in a customer account are entitled to certain protections from the claims of creditors of the custodian or broker. Non-U.S. brokers or custodians may not be subject to the same regulations regarding the segregation of the client’s assets from the assets of the broker or custodian, or from assets held on behalf of other customers of the broker or custodian, and accordingly the client portfolio’s assets held by a non-U.S. broker or custodian may not be protected from the claims of creditors of the broker or custodian to the same extent as the client portfolio’s assets held by a U.S. broker or custodian.

Illiquid Assets. Certain investment positions of client portfolios may be illiquid. SW may invest in “restricted” or non-publicly traded securities and securities traded on foreign exchanges. SW may not be readily able to dispose of such non-publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Valuation Risks. Due to concentrations in particular markets and the maturities of positions that may be held by SW from time to time, the ultimate realizable values of client portfolio’s securities and other investments may differ significantly from the interim valuations of such investments. Such differences may also be affected by the time frames within which such realization occurs. Third party pricing information of client portfolio securities or other investments may at times not be available. Valuations of portfolio securities and other investments, which will affect the amount of fees received by SW, may involve uncertainties and require judgmental determinations. If

such valuations should prove incorrect, the net value of the assets of client portfolios could be adversely affected.

Reliance on SW. SW has complete discretion, subject to any investment guidelines agreed with each client, in investing the portfolio assets of each client. The success of each client's portfolio will depend, to a great extent, on the ability of SW to identify successful investments and strategies. The death or disability of a principal of SW or the withdrawal of SW could have a material adverse effect on the investment results of a client portfolio. In addition, no assurance can be given that SW will be able to retain their key personnel or to engage new personnel with comparable investment management skills.

Disciplinary Information

SW and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

Registered Broker-Dealer

None of SW or any of its employees are registered as a broker-dealer or a registered representative of a broker-dealer or affiliated with any broker-dealer, bank or other financial services firm.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of SW or any of its employees is registered as a registered futures commission merchant, commodity pool operator and/or commodity trading advisor.

Relationships with Related Persons

As discussed above under "Participation or Interest in Client Transactions; Personal Trading", SW is the managing member or investment manager for the Fund and the Feeder Funds.

Selection or Recommendation of Other Advisers

SW does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest. SW does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

SW has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act reflecting SW's commitment to ethical conduct. SW's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth SW's (i) policies on receipt of gifts by employees and campaign contributions and (ii) practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations. Under SW's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the clients and all potential conflicts and violations of the Code of Ethics must be promptly reported to SW's Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended. It is the policy of SW that no person employed by SW shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, SW requires that anyone associated with its advisory practices with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's CCO. SW requires such "access persons" to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by SW's personnel, the CCO will maintain and make available a list of restricted securities. The restricted securities list will be updated periodically and will include securities: (i) held by clients; (ii) under active investment consideration by SW; (iii) held by a client as a result of a distribution or which SW knows or believes will be so distributed to a client; (iv) being issued in an IPO or private placement; and (v) securities about which any access person is in possession of, or knows, material nonpublic information. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

SW requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. SW's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

SW will provide a complete copy of its Code of Ethics to any person upon request.

Participation or Interest in Client Transactions; Personal Trading

Before SW makes a recommendation that a client buy or sell a security, all related persons that have direct ownership of such security at the time of such recommendation are required to disclose such interest to SW and will not be permitted to participate in the

discussions or authorizations to recommend that a client and/or the Fund buy or sell such security. A related person shall not be so restricted if such person's only interest in a security is indirect through its share in any profits and losses generated by the client's investments.

In certain situations, related persons of SW are permitted to purchase securities held by one or more clients. All such purchases are subject to compliance with SW's Code of Ethics as described above.

From time to time, SW may cause a client to engage in "cross trades" via the purchase of securities from or sale of securities to another client, provided that the sale or purchase is consistent with SW's fiduciary obligations to each client.

Brokerage Practices

Research and Other Soft Dollar Benefits

SW selects brokers and dealers to execute transactions for the accounts of its clients based on the expected benefits and costs of their services as compared to others in the marketplace. SW attempts at all times to achieve best execution of all transactions for its clients. In selecting brokers or dealers to effect portfolio transactions on behalf of its clients, SW considers such factors as price, the ability to effect a transaction, the broker's or dealer's facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, custody, recordkeeping and similar services, and any research or investment management-related services provided by such brokers or dealers.

Consistent with obtaining best execution for clients, SW has yet to but may enter into soft dollar arrangements within the safe harbor in Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). These arrangements are designed to augment SW's own internal research and investment strategy capabilities and may be entered into without prior agreement or understanding by the client. SW may have an incentive to select a broker-dealer based on its interest in receiving research or other products or services, rather than on a client's interest in receiving most favorable execution.

Research services obtained through the use of soft dollars generally include statistical or quotation services, including on-line services. SW does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research SW receives will help SW to fulfill its overall duty to all of its clients. SW may not use each particular research service to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Accordingly, broker-dealers selected by SW may be paid commissions for effecting transactions for SW's clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if SW determines in good faith that such

amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or SW's overall duty to its client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and SW will make a good faith effort to determine the percentage of such products or services that may be considered as execution or research services. The portions of the costs attributable to non-research or non-execution related usage of such products or services is paid by SW to the broker-dealer in accordance with the provisions of Section 28(e) of the Exchange Act.

Brokerage for Client Referrals

Subject to SW's obligation to seek best execution of all transactions for its clients, SW may consider referrals of potential clients or investors in determining its selection of broker-dealers. SW may have an incentive to select or recommend a broker-dealer based on its interest in receiving client or investor referrals, rather than on its clients' interest in receiving the most favorable execution.

Directed Brokerage

SW does not have any directed brokerage arrangements with clients.

Trade Aggregation

SW may place orders for more than one client account simultaneously. SW may also use an omnibus account to facilitate trading. The proposed allocation of any order placed on behalf of more than one client account is generally determined prior to placing the order. If all orders are not filled at the same price, then SW may cause each account to pay or receive the average of the prices at which the orders were filled for all accounts. If all orders placed for client accounts cannot be fully executed under prevailing market conditions, then the securities traded may be allocated among client accounts on a pro rata basis or in some other equitable manner, taking into account the size of the order placed for each account and any other relevant factors. Such aggregation of orders may not always be to the benefit of a client with regard to the price or quantity executed.

Review of Accounts

Review of Client Accounts

All client accounts are reviewed on a daily basis by either David Hinman (Chief Investment Officer), Raymond Zucaro (Portfolio Manager), or Robert Venable (Chief Operating Officer).

Reports to Clients

Investors in the SWGCO Master Fund Ltd. receive a monthly statement of valuation from State Street Bank and Trust Company and annual audited financial statements. Investors in any fund that is treated as a partnership for U.S. federal income tax purposes will receive a schedule K-1 after the end of each calendar year. Clients and investors in the Fund also receive a monthly newsletter.

Clients and investors in the Fund should refer to the applicable Governing Documents for further information on the reports provided by SW to clients and investors.

Forward Funds provides periodic account statements to investors in the Forward International Fixed Income Fund. Investors should refer to the Governing Documents for further information.

Client Referrals and Other Compensation

SW has entered into a compensation arrangement with CapStone Investments, an unaffiliated broker/dealer, for introducing clients and investors for the SWGCO Master Fund Ltd. to SW. Any sales charge associated with this arrangement will ultimately be payable by SW or its related persons, either directly or through an offset of the management fee payable by the applicable client to SW. A client or investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. As described above, SW may consider referrals of clients and investors in determining its selection of broker-dealers for securities transactions.

SW endeavors at all times to put the interests of its clients first as part of SW's fiduciary duty. Nevertheless, the receipt of compensation by a placement agent and the potential for receipt of brokerage commissions by broker-dealers creates a potential conflict of interest, and may affect the judgment of placement agents and broker-dealers when making referrals to SW and the Fund. Moreover, a potential conflict of interest may arise between the Fund investors' and clients' interests in obtaining best price and execution and SW's interest in receiving future referrals. SW will address this conflict of interest by seeking to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience and such other factors as SW deems relevant and beneficial to its clients.

Custody

SW will not have physical custody of any client assets. However, SW may be deemed to have custody of the assets of its clients as a result of its authority over its clients. All client funds and securities will be held by a qualified custodian designated by SW, if it serves as investment advisor. The qualified custodian will send an account statement, at least quarterly, to each advisory client. Clients should carefully review these account statements.

It is SW's policy to cause the Funds that it has advisory responsibility to be audited annually and to distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to clients and/or Fund investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any client account (including the Fund), SW will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such client account to the client and/or the investors promptly after completion of the audit.

Investment Discretion

Subject to the investment objectives, policies and restrictions of each client account as set forth in the applicable Governing Documents, SW has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each client account, including the selection of, and commissions paid to, broker-dealers. SW generally enters into a written investment management agreement with each client granting such discretionary authority.

Voting Client Securities

Because SW has, or will accept, authority to vote securities held by a client account, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") which have been designed to ensure that SW complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect SW's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client. Employees who have the authority to vote client securities must familiarize themselves with and adhere to SW's Proxy Voting Policies and Procedures.

SW monitors the performance, activities and events related to each investment. When exercising its voting authority over client securities, SW considers such information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. SW votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and in a manner consistent with the Proxy Voting Policies and Procedures and SW's fiduciary duties to its clients.

SW reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the client. As a result, depending on the client's particular circumstances, SW may vote one client's securities differently than it votes those of another client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, SW may determine that it is in the client's best interest for SW to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, SW, in consultation with the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of SW, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, SW will take steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. SW may, at its discretion, (A) seek the advice of the client (or the board of directors of any Fund) in voting such security; (B) disclose the conflict of interest to the client and defer to the client's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take any other action in good faith that would serve the best interest of the client. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

SW will promptly deliver to each client upon written request a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable client account.

Financial Information

Not applicable.