



## **BROADFIN CAPITAL, LLC**

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Form ADV, Part 2A (the "Brochure")  
*March 2016*

This Brochure provides information about the qualifications and business practices of Broadfin Capital, LLC ("Broadfin" or "the Investment Manager"). If you have any questions about the contents of this Brochure, please contact us at the number above. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (the "SEC") or by any state securities authority. Broadfin is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

If you have any questions about the contents of this Brochure, please contact Jason Abrams, Broadfin's Chief Financial Officer and Chief Compliance Officer ("CCO"), at +1-212-808-2460 or by e-mail at [investorrelations@broadfincapital.com](mailto:investorrelations@broadfincapital.com).

Additional information about the Investment Manager is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **ITEM 2: MATERIAL CHANGES**

There have been no material changes to this brochure since the Adviser's previous filing in March 2015.



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#### ITEM 4: ADVISORY BUSINESS

Broadfin Capital, LLC ("Broadfin") was founded in June 2005 and is a fundamental research-based, value oriented investment manager focused on the healthcare sector. Broadfin manages investments in predominately publicly traded equity securities and equity derivatives, as described more fully in Item 8 below. The principal owner of Broadfin is Kevin Kotler.

Broadfin offers investment advisory services to the Broadfin Healthcare Master Fund, Ltd, a Cayman Islands exempted company (the "Master Fund"), and two feeder funds, the Broadfin Healthcare Offshore Fund, Ltd., a Cayman Islands exempted company (the "Offshore Feeder Fund"); and the Broadfin Healthcare Fund, LP, a Delaware, USA limited partnership (the "Domestic Feeder Fund").

The Master Fund, Offshore Feeder Fund and Domestic Feeder Fund are collectively referred to as the "Funds" or the "Clients". The Offshore and Domestic Feeder Funds (together, the "Feeder Funds") invest all of their assets in the Master Fund. The Funds are managed only in accordance with their own investment objectives and are not tailored to any particular private fund investor (each an "Investor").

As of December 31, 2015, Broadfin managed approximately \$1,901,179,640 in regulatory assets on a discretionary basis.



## ITEM 5: FEES AND COMPENSATION

### *Compensation for Advisory Services.*

As investment adviser to the Funds, Broadfin receives management fees at an annual rate of 2.0% of the value of the net assets of the Master Fund as of the first business day of each calendar quarter. This management fee is deducted from Fund assets. Management fees are prorated for any investment period that is less than a full calendar quarter.

In addition to management fees, Broadfin's affiliate, Broadfin Advisors, LLC is entitled to receive a performance allocation ranging from 17.5% to 20% of the net profits of the Fund. Fees and allocations are described in further detail in the Fund offering documents.

### *Other Types of Expenses.*

Expenses absorbed by Broadfin include but are not limited to: utilities, furniture and fixtures, stationery, secretarial/internal administrative services, salaries, entertainment expenses, employee insurance, and payroll taxes.

Fees, costs, and expenses, other than management and incentive fees paid by the Fund include, but are not limited to: (1) legal and accounting fees; (2) fees of outside consultants, analysts or advisors Broadfin may engage to provide advice related to portfolio investments; (3) brokerage commissions and securities transaction costs; (4) custodial, transfer agent and distributions agent charges; (5) premiums for insurance; (6) taxes and other governmental charges, fees and duties; (7) organizational expenses; and (8) other fees, costs, expenses, and liabilities that are incurred by, or arise out of, the operation and activities of the pooled investment vehicle. Other expenses paid by the Fund include the fees payable to Broadfin, legal, compliance, audit, accounting, portfolio management/order management system costs, and administrator fees and expenses (including third party accounting services); shareholder proxy voting services; organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel, food and lodging); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; expenses relating to insurance (including directors' and officers' insurance, errors and omission insurance, Fund indemnification coverage and other similar policies); Director's fees and expenses; each Feeder Fund's pro rata share of the Master Fund's expenses; and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets.

Each Feeder Fund will invest in the Master Fund on substantially the same terms and conditions and therefore will generally be allocated a proportionate share of the Master Fund's gains, losses and expenses based on their interest in the Master Fund.

The Fund will incur brokerage fees. Please see Item 12 of this brochure for further discussion of Broadfin's brokerage practices.



## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Consistent with the provisions of Rule 205-3 under the Investment Advisers Act of 1940, Broadfin charges a performance fee in connection with its management of the Fund.

Because all assets are managed in the Master Fund, there are no side-by-side conflict of interest issues, such as allocation decisions impacted by performance-based fee differentials.



## ITEM 7: TYPES OF CLIENTS

Through the Funds it advises, Broadfin may provide investment management services to individuals, investment companies, pooled investment vehicles, pension and profit sharing plans, trusts, estates, governmental plans, endowments, foundations, charitable organizations, corporations, insurance companies, limited partnerships, commingled investment trusts, and other entities.

Investors in the Fund must be "accredited investors" as that term is defined in Rule 501 of Regulation D of the Securities Act of 1933 and "qualified purchasers" within the meaning of Section 2(a)(51) and Rule 2a51-1 under the Investment Company Act of 1940.

Investors are required to commit or contribute certain minimum capital amounts to become limited partners of our limited partnerships. Currently, the minimum required investment is \$1,000,000. This minimum amount is subject to change at the sole direction of the Fund's Board of Directors.



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

Broadfin seeks to generate capital appreciation by employing a long/short equity strategy, primarily by investing in companies in the healthcare industry. Broadfin leverages the expertise of the portfolio manager and the investment personnel of Broadfin to make investments in medical technology and supplies, pharmaceuticals, biotechnology, healthcare services and related sub-sectors.

Broadfin believes that capital preservation plays as important a role in the generation of investment returns as capturing upside potential, and that a value-oriented investment strategy most effectively incorporates both.

Broadfin pursues its investment objective by investing in the securities of U.S. and non-U.S. issuers in the healthcare industry evaluated through the application of extensive fundamental investment analysis and risk management. This focus on the healthcare sector enables the development of specialized expertise and allows Broadfin to benefit from the enhanced information captured through deep fundamental research utilizing its deep network of industry participants, clinicians, management teams, venture capitalists and private equity investors.

Broadfin focuses on long-term performance and generally invests with a minimum 12 to 18 month time horizon if not longer. This allows the investment team to focus on making fundamental investments in value-oriented companies and retaining positions through periods of market turbulence, concentrating research efforts on the discovery of incremental information, and in some cases allows time to accumulate positions.

Broadfin's investments, while from companies in all market capitalization segments, have an emphasis in the small and mid-capitalization companies with a value-orientation. Broadfin focuses on companies that generally lower healthcare costs and improve outcomes. In addition, Broadfin has developed an established network of professionals, including industry experts (such as physicians, scientists, engineers and professional organizations), CEOs and CFOs of public and private companies, investment research and investment management contacts, and other healthcare and technology industry participants to add input to its research process. As an ongoing process the investment team also monitors companies in its universe for changing fundamentals for potential investments.

Broadfin's research and analysis process includes: attending medical conferences, regular conversations with leading clinicians and industry experts, company facility visits, discussions with industry competitors, review of scientific literature and financial filings, building of financial models and scenario analyses, and gauging investor sentiment and expectations. Broadfin conducts research on potential portfolio companies to formulate a deeper understanding of each investment, which Broadfin believes to be an important factor in superior performance.

Investments may include, but are not limited to, securities which are subject to legal or contractual restrictions on sale, are not readily marketable or which Broadfin determines should be held until the resolution of a special event or circumstance.

Broadfin's strategy may employ leverage.





## **Material Risks**

The following summary identifies the material risks related to Broadfin's significant investment strategies and should be carefully evaluated before making an investment with Broadfin; however, the following does not intend to identify all possible risks of an investment with Broadfin or provide a full description of the identified risks and an investor should review the offering memorandum of the relevant Fund for risks associated with an investment in such Fund.

### *Healthcare and Related Risks*

Healthcare securities, especially those of smaller, research-oriented companies, can be more volatile than the overall market. The medical device and drug development companies (biotechnology and pharmaceuticals) in which Broadfin may focus its investments on, may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects for success of the research and development programs. Only a limited number of healthcare companies have reached the point of product approval by government regulatory bodies, such as the U.S. Food and Drug Administration and the subsequent commercial production and distribution of such products. Therefore, the success of investments in the healthcare sector generally, and the biotechnology and pharmaceuticals industries in particular, is often based upon expectations about future products, research progress, and new product filings with regulatory authorities. In addition, a number of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, operate at a loss, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many healthcare companies with proprietary platform technologies rely on patent protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. Patents have limited duration and, upon expiration, competitors may market substantially similar "generic" products which cost less to develop and may cause the original developer of a product or service to lose market share and/or reduce prices, resulting in lower profits for the original developer. In addition, there can be no assurance that a particular company will be able to protect these rights, or will have the financial resources to do so. Conversely, other companies may make infringement claims against a company in which the Fund invests, which could have a material adverse effect on such company.

The healthcare sector is subject to extensive government regulation. The industry will be affected by government regulatory requirements, regulatory approval for new drugs and medical products, product liability concerns, and similar significant matters. Changes in governmental policies may have a material effect on the demand for, or costs of, certain healthcare products and services and securities prices of health care companies can fluctuate dramatically as a reaction to adverse legal judgments and the adverse publicity associated with accompanying threatened litigation or regulation. As these factors impact the industry, the value of the Fund's interests may fluctuate significantly over relatively short periods of time.

Health care companies are frequently dependent upon private and governmental third-party sources of reimbursement for products and services provided to their customers. In addition to market and cost factors affecting the fee structures implemented by healthcare companies, numerous Medicare and Medicaid regulations, cost containment and utilization decisions of third-party payers and other payment factors over which the companies do not have control may affect the amount of payment



that healthcare companies receive for their products and services. These third-party payers are increasingly challenging the prices charged for healthcare products and services and, in some cases, refusing payments for products and services they deem inappropriate.

#### *Lack of Diversification/Portfolio Concentration*

The Fund's portfolio may not be diversified among industries or types of securities. Further, the Fund's portfolio may not be diversified among a wide range of issuers. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among industries, investment areas, types of securities and issuers.

#### *Small-to-Medium Capitalization Companies*

The Funds may be invested in the stocks of companies with small-to medium-sized market capitalizations. While Broadfin believes these investments often provide significant potential for appreciation, such stocks, particularly smaller-capitalization stocks, can involve higher risks in some respects than investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

#### *Valuation*

The Funds' assets may be invested in securities which are illiquid or very thinly traded. These investments may be extremely difficult to ascribe a market value, at specific points of time. Third party pricing information may not be available for certain positions held by the Funds. Securities to be held by the Funds may trade with bid-ask spreads that may be significant.

#### *Non-U.S. Securities and Currency Risk*

Broadfin's strategy may include investments in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations involving risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. The Funds' investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.

#### *Use of Leverage*

The Funds may utilize leverage. This results in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Funds' returns if the return earned on investments



purchased with borrowed funds exceeds the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk of loss.

#### *Short Sales*

Broadfin engages in short selling. In a short sale transaction, Broadfin sells a security it does not own in anticipation that the market price of that security will decline. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

#### *Options*

Broadfin engages in an option trading investment strategy. Options are investments whose ultimate value is determined from the value of the underlying investment. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss).

#### *Shareholder Activism*

The Partnership's investment strategy may on occasion involve shareholder activism that will attempt to influence the strategy of target companies, and there exists the risk that such activism for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the Partnership's purchase of the securities and the anticipated results. Additionally, if the anticipated results do not in fact occur, the Partnership may be required to sell its investment at a loss. Moreover, there may be instances where the Partnership will be restricted in transacting in a particular investment as a result of its activism with respect to an investment.



## **ITEM 9: DISCIPLINARY INFORMATION**

This Item is not applicable.



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

Broadfin Advisors, LLC, an affiliate of Broadfin, serves as the general partner to the Domestic Feeder Fund and is entitled to receive a performance allocation based upon a percentage of the net profits of the Fund as discussed in Item 5.



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

Broadfin is not obligated to refrain from investing in securities held by the Fund that it manages except to the extent that such investments violate the Code of Ethics ("Code") adopted by Broadfin in conformity with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). As a condition of employment, all personnel are subject to the Code and must certify that they have read and understand the Code and agree to be subject to its provisions. As discussed below, the Code contains provisions relating to personal transactions, insider trading and sets forth standards of business conduct – including the requirement that all personnel adhere to the federal securities laws and their fiduciary duties as investment advisers. Any employee of Broadfin who fails to comply with the Code risks serious sanctions, including dismissal and personal liability.

### *Code of Ethics*

The Code governs personal transactions by all employees in order to ensure that their interests do not conflict with the interests of the Funds. The Code restricts the purchase of any public healthcare equity security by any employee. Healthcare securities owned prior to the implementation of this Code are "grandfathered" and can be sold pursuant to a liquidation plan approved by the Managing Member and Chief Compliance Officer ("CCO"). All employees must provide quarterly reports of their personal transactions to the CCO within thirty (30) days of the end of the calendar quarter and may direct their brokers to send copies of all brokerage confirmations and statements relating to personal securities transactions to the CCO. The Code also requires all employees to comply with parameters relating to gifts and entertainment, including restrictions on giving gifts to, and receiving gifts from, investors or affiliates in violation of our gift policy as well as provisions intended to prevent violations of laws prohibiting "insider trading", as discussed below.

Additional provisions of the Code outline Broadfin's policies governing (1) gifts, meals, entertainment, and political activity, which often include pre-approval requirements and limitations on such activities; (2) employee activities outside their employment, including serving as a director and certain fiduciary appointments; (3) the confidentiality of certain information.

### *Insider Trading Policy*

Broadfin and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Specifically, the Code of Ethics prohibits our officers, directors and employees from buying or selling securities either for the Fund, themselves or on behalf of others while in possession of material, non-public information about the company that violate applicable securities laws. The Code of Ethics also prohibits the communication of material, non-public information about a company to others who have no official need to know. Depending on the circumstances surrounding the information received, Broadfin may place the issuer on the firm-wide "Restricted Securities List," which would bar any purchases or sales of the issuer's securities by any Broadfin employee (including any related person) or the Fund.



Broadfin has investors in the Fund that may be senior executives and/or Board Members of public and private companies. Broadfin makes a best effort to understand the positions held by its investors and will place these companies on Broadfin's Restricted List. Should the Fund want to transact in these securities, the CCO will review and approve the circumstances and transactions. While not anticipated, should Broadfin come in contact with material non-public information, compliance procedures will be followed.



## ITEM 12: BROKERAGE PRACTICES

### *Selection of Broker-Dealers*

Broadfin's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution on transactions effected for accounts. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered as they are deemed relevant.

These factors include, but are not limited to, Broadfin's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; services rendered on a continuing basis and in other transactions; the reasonableness commissions; and the research services and products furnished by the broker or dealer, if any.

### *Research and other Soft Dollar Transactions*

Consistent with obtaining best execution, brokerage commissions (including dealer spreads paid on certain principal transactions in accordance with SEC interpretations) on portfolio transactions may be directed by Broadfin to a broker or dealer in recognition of research services furnished by the broker or dealer or a designated third party (also referred to as "soft dollar transactions"), as well as for services rendered in the execution of orders by such broker/dealer. In considering such research, Broadfin first determines that the product or service falls within the definition of brokerage and research services in Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. Once Broadfin has determined that the relevant product or service falls within Section 28(e), a determination is then made as to whether the amount of commissions paid is reasonable in light of the value of the brokerage and research services provided.





When Broadfin uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, Broadfin's will meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or Broadfin's overall responsibilities to the accounts or portfolios over which Broadfin exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, Broadfin will not have to pay for the products and services itself. This creates an incentive for Broadfin to select or recommend a broker-dealer based on its interest in receiving those products and services.

During the Adviser's last fiscal year, as a result of client brokerage commissions, Broadfin acquired data services (including services providing real time exchange data, market data, company financial data and economic data), software used to transmit orders, research reports (including market research), certain financial newsletters and trade journals, and services related to execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Adviser and a broker-dealer and other relevant parties such as custodians).



### ITEM 13: REVIEW OF ACCOUNTS

Broadfin's investment and finance staff continuously review and monitor the Fund on an ongoing basis.

The Fund's administrator determines the net asset value of the Fund. Underlying investors receive monthly account statements independently from the Fund's administrator as well as audited financial statements annually. Monthly account balances are reviewed by Broadfin's operations and finance staff and the Funds' administrator before statements are sent to investors.



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

Broadfin has not entered into any arrangements with brokers or third party marketers for client referrals. Broadfin representatives may from time to time speak at conferences and programs sponsored by brokers that are directed at investors interested in investing in hedge funds. In addition, brokers may refer such funds to, or arrange for meetings with, potential investors who are also often clients of such brokers. While these conferences, programs, references and meetings (collectively, a "Capital Introduction Program") may be arranged by brokers, there is no guarantee that any potential investor participating in a Capital Introduction Program will invest. Generally, other than the standard commission rates and customary brokerage fees paid by a fund (which Broadfin believes are paid solely for trade execution and brokerage services), the brokers do not receive any compensation, directly or indirectly, for such funds' participation in a Capital Introduction Program or any subsequent investments which may result from such participation.



## ITEM 15: CUSTODY

Broadfin, a registered investment adviser who, directly or through an affiliate or related person, acts as the general partner or managing member to a limited partnership or other comparable pooled investment vehicle is considered to have custody over client assets. Rule 206(4)-2 under the Investment Advisers Act of 1940 imposes a number of requirements on an SEC registered investment adviser that is deemed to have custody of its clients' funds and securities.

To comply with Rule 206(4)-2 and to provide meaningful protection to Investors, each Fund is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with United States Generally Accepted Accounting Principles, and are distributed to each Investor within one hundred twenty (120) days of the Fund's fiscal year end. Such physical custody of our Client's assets are maintained with unaffiliated qualified custodians selected by Broadfin in its exclusive discretion, which selection may change from time to time without the consent of investors in the relevant Fund.



## ITEM 16: INVESTMENT DISCRETION

Broadfin has discretionary investment authority pursuant to its advisory agreement with the Fund. Prior to assuming full discretion in managing a client's assets, Broadfin enters into an investment management agreement.

Unless otherwise instructed or directed by a discretionary client, Broadfin has the authority to determine (i) the securities to be purchased and sold for the Fund (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the Fund. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held.

If it appears that a trade error has occurred, Broadfin will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, Broadfin's error correction procedure is to ensure that the Fund is treated fairly. Broadfin has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy.



## ITEM 17: VOTING CLIENT SECURITIES

Rule 206(4)-6, "Proxy Voting by Investment Advisers" requires all investment advisers who exercise voting authority over client proxies to: (1) adopt policies and procedures for voting proxies in the best interest of the client; (2) describe the procedures to clients; and (3) inform clients how they may obtain information about how the adviser has actually voted their proxies. Broadfin has always taken seriously its responsibility to exercise voting authority with respect to the securities that form part of its clients' portfolios. Broadfin believes the right to vote such proxies is a valuable asset, and it has always sought to vote such proxies in a manner that would maximize shareholder governance and in turn, the value of its Clients' holdings.

Broadfin has policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interests of its Clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. Proxies will be voted in accordance with Broadfin's proxy voting guidelines by its investment staff unless an exception is warranted. The receipt of each proxy, the communication of the votes to third parties, and the maintenance of supporting documentation will be coordinated by Broadfin's operations staff.

Clients may obtain copies of Broadfin's written proxy voting policies and procedures as well as information on how proxies were voted by requesting such information from Broadfin at the address and phone listed on the Cover Page of this Brochure. Broadfin will not disclose proxy votes for a client to other clients or third parties unless specifically requested, in writing, by the client.



## **ITEM 18: FINANCIAL INFORMATION**

This Item is not applicable.