

# Form ADV, Part 2A: Firm “Brochure” Wasserstein & Co., L.P.

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This document (the “Brochure”) provides information about the qualifications and business practices of Wasserstein & Co., L.P. (“W&Co.”). If you have any questions about the contents of this brochure, please contact us at (212) 702-5600. 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 W&Co. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

W&Co. may refer to itself as a “registered investment adviser.” Registration does not imply a certain level of skill or training.

**February 5, 2016**

## Item 2: Material Changes

This amendment to the Brochure, dated February 5, 2016, has been updated to reflect the current number of employees at W&Co. and a change in the address of W&Co.'s principal office, which has moved to 1185 Avenue of the Americas, 39<sup>th</sup> Floor, New York, NY 10036.

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## Item 4: Advisory Business

- A. W&Co. provides investment advisory services to private pooled investment vehicles which are exempt from registration as investment companies. The principal owners of W&Co. are Wasserstein Capital, L.P.; Wasserstein Investments, L.L.C.; Wasserstein Family Trust, L.L.C.; and CDLTT LLC. W&Co. has been in business since 2001. W&Co. has five (5) employees, five (5) of whom are investment professionals. W&Co.'s principal place of business is in New York, NY.

W&Co.'s clients are the private pooled investment vehicles it manages (the "Funds"). For the purposes of this Brochure, "clients" refers exclusively to these vehicles and "investors" refers to those institutions and individuals that have committed capital to these vehicles.

W&Co.'s investors are generally institutions or high net worth families. W&Co. does not accept capital commitments from investors that do not meet certain thresholds of net worth or investment expertise.

W&Co. may enter into economic relationships with strategic investors that have materially different investment terms. These terms could include either a reduction in the fees paid by the investor or the sharing of the fees or performance-based compensation to which W&Co. is entitled with such strategic investor.

From its founding in 2001 through April 2013, W&Co. provided investment advisory services exclusively to pooled investment vehicles that invested in privately negotiated equity and equity-related investments in various types of businesses (the "PE Funds"). In May 2013, W&Co. launched a hedge fund focused on corporate high yield bonds and loans (the "WDO Fund").

Due to differences in investment strategy, fee structure, and investor base, among others, between the PE Funds and the WDO Fund, W&Co. has created two (2) Form ADV Part 2A brochures. This brochure describes W&Co.'s business in relation to the WDO Fund while a separate brochure describes the business in relation to the PE Funds. If you wish to receive both brochures, please contact Gia Baker, at GB@wasserco.com, to request a copy. Both brochures are also publicly available on the SEC's website at [www.adviserinfo.gov](http://www.adviserinfo.gov).

- B. W&Co.'s investment strategy on behalf of the WDO Fund is to generate risk-adjusted returns from investments in predominantly U.S. based, middle-market issuers of high yield bonds and leveraged loans that W&Co. believes to be undervalued or mispriced relative to similar securities.

W&Co.'s subsidiary entity Wasserstein Debt Opportunities Management, LP ("WDO Management"), is the investment manager to the WDO Fund and, as identified on W&Co.'s Form ADV Part 1, a "relying adviser" of W&Co. in accordance with the position expressed in the SEC Staff's No-Action Letter to the American Bar Association dated January 18, 2012.

W&Co. is affiliated with Wasserstein Debt Opportunities GenPar, LLC (the "General Partner"), which serves as the general partner of the two (2) feeder funds and the master fund within the WDO Fund. The WDO Fund is controlled by the General Partner.

The advisory services of W&Co. and WDO Management (hereafter referred to collectively as "W&Co.") as they pertain to the WDO Fund, and the General Partner of the WDO Fund, as an affiliated investment adviser, are described in this brochure. The General Partner is deemed registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act") pursuant to W&Co.'s registration in accordance with SEC guidance and the information set forth herein regarding the investment advisory services provided by W&Co. shall also apply in respect of the General Partner

- C. W&Co. currently manages a single WDO Fund, which is organized as a "master-feeder" pooled investment vehicle. W&Co. does not provide personalized services directly to the individual needs of the WDO Fund's underlying investors.
- D. W&Co. does not participate in wrap fee programs.
- E. As of December 31, 2014, W&Co. manages \$1,369,064,474 attributable to the PE Funds on a discretionary basis and \$38,257,162 attributable to the WDO Fund on a discretionary basis.

## Item 5: Fees and Compensation

- A. W&Co. is compensated for advisory services to the WDO Fund based on a percentage of the WDO Fund's value (the "management fee"). W&Co. is also compensated with a performance-based allocation (the "incentive allocation"), as described below. The incentive allocation is received by the General Partner, which is an affiliate of W&Co. This compensation is not negotiated separately with each investor in the WDO Fund. Each of W&Co.'s investors is a "qualified purchaser."

Management fees are calculated at an annual rate equal to 1.5% of the net asset value of each WDO Fund investor's capital account balance.

Incentive allocation fees are calculated annually, and are generally 15% of the net capital appreciation of each WDO Fund investor's capital account balance, less the management fee paid and any loss-recovery due to such investor, as described more fully in the WDO Fund's offering documents.

- B. Management fees are deducted directly from client accounts, quarterly and in advance. Incentive allocation fees, if applicable, are deducted directly from client accounts by the General Partner on the last day of the WDO Fund's fiscal year.
- C. In general, W&Co. bears the organizational costs associated with the investment program for the WDO Fund.

Pursuant to the WDO Fund's offering documents, the WDO Fund may bear some or all of its other expenses, which may include (but are not necessarily limited to):

- i. Expenses incurred in connection with the evaluation, acquisition or disposition of investments, including private placement fees, sales commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees;
  - ii. Expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees;
  - iii. Expenses incurred in connection with the WDO Fund's audited financial statements, tax returns and K-1's;
  - iv. Attorneys' and accountants' fees and disbursements;
  - v. Taxes and other governmental charges levied against the WDO Fund;
  - vi. Insurance, regulatory or litigation expenses (and damages);
  - vii. Expenses incurred in connection with the winding up or liquidation of the WDO Fund;
  - viii. Expenses relating to defaults by investors in the payment of capital contributions;
  - ix. Expenses for transactions not consummated;
  - x. Expenses incurred in connection with any restructuring or amendments to the constituent documents of the WDO Fund and related entities; and
  - xi. Expenses incurred in connection with distribution of proceeds to investors and in connection with any meetings with investors.
- D. The WDO Fund's investors pay management fees in advance. In the unlikely event that an advisory contract is terminated before the end of a management fee period, W&Co. will refund the overpayment of the management fee (computed on the basis of the number of days elapsed).

- E. Neither W&Co., nor any of its supervised persons, accepts compensation for the sale of securities or other investment products.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

The General Partner to the WDO Fund, which is an affiliate of W&Co., is compensated based on capital appreciation of the WDO Fund's assets. Certain strategic investors in the WDO Fund may pay reduced performance-based fees. These investors have no influence or control over the provision of investment advice and participate *pro rata* in investments on the same basis as all other investors.

This compensation based on capital appreciation could give W&Co. an incentive to make riskier or more speculative investments on behalf of the WDO Fund than W&Co. may make otherwise. However, W&Co. performs extensive due diligence with respect to the investment decisions made on behalf of the WDO Fund. Furthermore, many of W&Co.'s executive officers have a significant direct or indirect investment in the WDO Fund.

## **Item 7: Types of Clients**

W&Co.'s clients are private pooled investment vehicles, which are generally organized as limited partnerships of which an affiliate of W&Co. serves as the general partner. Interests in these vehicles are offered and committed to investors who meet certain standards of net worth or knowledge about investing. These interests are not registered as securities under certain exemptions in the U.S. securities laws.

In the WDO Funds, W&Co. only accepts investors who meet certain high standards for net worth and/or income. Generally, W&Co.'s investors are institutions, which may include pension funds, other high net worth institutions, and high net worth families.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. W&Co.'s Investment Strategy and Methods of Analysis**

W&Co.'s investment strategy on behalf of the WDO Fund is to generate risk-adjusted returns from investments in predominantly U.S. based, middle-market issuers of high yield bonds and leveraged loans that W&Co. believes to be undervalued or mispriced relative to similar securities.

W&Co. targets investments that are secured and/or have some combination of security, capital structure seniority and enterprise value protection. Investment opportunities are sourced in both the primary and secondary markets. The resources of W&Co., which include investment professionals, industry specialists, broad relationships and access to management teams to conduct due diligence are fully utilized in making investment recommendations to the WDO Fund. The business characteristics sought for investments in the WDO Fund include: 1) business that can be understood with quantifiable risks, 2) diversification or low concentration risk, 3) clear value proposition and sustainable competitive advantage, 4) proven sponsorship and management, 5) demonstrated track record and 6) recession mitigating attributes such as the ability to generate free cash flow in downside scenarios.

W&Co. employs strategies that seek to be profitable regardless of whether interest rates or the broader market indices rise or fall. This involves the use of various options on exchange traded funds and equity indices that could create profit when market prices decline or volatility changes. W&Co. intends to consistently employ strategies that can be reasonably viewed as hedges to the WDO Fund's core strategies with the intention of delivering overall consistent returns.

W&Co. seeks to enhance the WDO Fund's risk-based financial returns through the use of leverage and hedging techniques to reduce certain risks associated with fixed income investments. W&Co. does not expect to utilize leverage in excess of 200% of the WDO Fund's net asset value; however, actual borrowings may vary based on market factors.

W&Co.'s investment program is speculative and entails substantial risks, including risk of loss of the entire investment. There can be no assurance that W&Co.'s investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks

The risks inherent to the strategies employed by W&Co., including those listed below, are described in further detail in the WDO Funds' offering documents.

**B/C. Risks Relating to W&Co.'s Investment Strategy , Methods of Analysis, and Type of Securities**

Some risks relating to W&Co.'s investment strategy and methods of analysis are set forth below. Please refer to the limited partnership agreement and the offering memorandum of the WDO Fund for a full list of potential risks involved in an investment in the WDO Fund.

***Business and Market Risks***

The investments made by the WDO Fund may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks and security operations. In addition, the ability of W&Co. to successfully implement its strategy may entail a high degree of uncertainty. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.

***Investment and Trading Risks***

All investments in securities risk the loss of capital. W&Co.'s investment program and research techniques may moderate this risk through a careful selection of securities and other financial instruments. No guarantee or representation is made that the WDO Fund's program will be successful. The WDO Fund's investment programs may utilize such investment techniques as swaps and forward contracts, practices which may, in certain circumstances, increase the adverse impact to which the WDO Fund may be subject. The WDO Fund will invest in bonds or other fixed income securities, including, without limitation, public and private non-investment grade bonds, secured loans, second lien debt, convertible securities, options, swaps and other securities with fixed-income characteristics. Such securities will primarily be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market prices of such securities are also subject to abrupt and erratic market movements and changes in

liquidity and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets.

The WDO Fund may from time to time make investments in securities of private companies without an active trading market. Traditional exit opportunities for such investments have consisted primarily of initial public offerings and acquisitions of portfolio companies by publicly traded companies, often for stock. The ability of the WDO Fund to sell securities and realize investment gains will depend upon favorable market conditions. As recent history indicates, initial public offering and merger and acquisition opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory, or other factors. In addition, general fluctuations in the market prices of securities may affect the value of the investments held by the WDO Fund. Therefore, there is no assurance that the WDO Fund will be able to realize liquidity for such investments in a timely manner, if at all.

### ***Market Disruptions***

The WDO Fund may incur major losses in the event of market disruptions and other extraordinary events in which historical pricing relationships (on which the General Partner and/or W&Co. bases a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the WDO Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

### ***Financial Market and Interest Rate Fluctuations***

General fluctuations in the market prices of securities and interest rates may affect the value of the investments held by the WDO Fund. Volatility and instability in the securities markets may also increase the risks inherent in the WDO Fund's investments. The ability of companies or businesses in which the WDO Fund may invest to refinance debt securities may depend on their ability to sell new securities in the high yield debt or bank financing markets, which in recent months have been extraordinarily difficult to access at favorable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

### ***General Economic Conditions and Recent Events***

Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. Recently, market uncertainty in the United States has increased dramatically, and adverse market conditions have expanded to other markets. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global credit market conditions have adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The short- and longer-term impact of these events is uncertain, but could

have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments made by the WDO Fund are expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of the WDO Fund and these or similar events may affect the ability of the Fund to execute its investment strategies.

#### ***Investments in High Yield Securities***

The WDO Fund will invest in high yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the WDO Fund will invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

#### ***Investments in Bank Loans and Participations***

The WDO Fund invests in bank loans and participations. The special risks associated with these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) environmental liabilities that may arise with respect to collateral securing the obligations; (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; and (iv) limitations on the ability of the WDO Fund, the General Partner or W&Co. to directly enforce its rights with respect to participations. W&Co. will attempt to balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks, absent bad faith, may be borne by the WDO Fund.

In general, the secondary trading market for senior secured loans and subordinated loans is not well developed. No active trading market may exist for certain senior secured loans and subordinated loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the WDO Fund may not be able to sell senior secured loans and subordinated loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior secured loans and subordinated loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

#### ***Investments in Distressed Securities***

The WDO Fund may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and

liquidation proceedings. Although such investments may result in significant returns to the WDO Fund, they involve a substantial degree of risk. Any one or all of the issuers of the securities in which the WDO Fund may invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the W&Co. will correctly evaluate the value of the assets collateralizing the WDO Fund's investments in distressed securities or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the WDO Fund invests, the WDO Fund may lose its entire investment or may be required to accept cash or securities with a value less than the WDO Fund's original investment. Under such circumstances, the returns generated from the WDO Fund's investments may not compensate the investors adequately for the risks assumed.

### ***Liquidity and Valuation of Investments***

The WDO Fund may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The WDO Fund may not be able to sell such securities when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Because the markets for such securities are still evolving, liquidity in these securities is limited and liquidity with respect to lower-rated and unrated subordinated classes may be even more limited. As a result, calculating the fair market value of the WDO Fund's holdings may be difficult and there can be no assurance that W&Co.'s valuation will accurately reflect the value that will be realized by the WDO Fund upon the eventual disposition of such investment. Disposition of such illiquid investments may also result in distributions in kind to the investors. Such investments could also impair the WDO Fund's ability to distribute withdrawal proceeds to a withdrawing investor in a timely manner.

### ***Cybersecurity***

W&Co., the WDO Fund and its portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the limited partners and the WDO Fund's investment activities, or to render data or systems unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to the Firm's, the WDO Fund's and/or a portfolio company's operations and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of investors' personal information.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The Firm's or a portfolio company's controls and procedures, business continuity systems and data security systems could prove to be inadequate. These problems may arise in both the Firm's or a portfolio company's internally developed systems and the systems of third-party service providers.

## **Item 9: Disciplinary Information**

There currently are no material legal or disciplinary events that are material to a client's or investor's evaluation of W&Co.'s advisory business or the integrity of W&Co.'s management.

## **Item 10: Other Financial Industry Activities and Affiliations**

- A. Neither W&Co. nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither W&Co. nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The general partner to W&Co.'s WDO Fund is an affiliate of W&Co. under common control. On behalf of the WDO Fund, the General Partner compensates W&Co. for providing advisory services. W&Co. believes that this compensation generally reflects prevailing market terms.
- D. W&Co. does not recommend or select other investment advisers for the WDO Fund.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. As an investment adviser, W&Co. stands in a position of trust and confidence with respect to its clients. W&Co. has a fiduciary duty to place the interests of its clients before its own interests of and the interests of its employees. All of W&Co.'s personnel must put the interests of the Funds before their own personal interests and must act honestly and fairly in dealings with the Funds. All of W&Co.'s personnel must also comply with all federal and other applicable securities laws. W&Co. has established a code of ethics to establish these rules of conduct for its personnel.

As part of its code of ethics, W&Co. has adopted a personal trading policy requiring all personnel to disclose all holdings in personal trading accounts and all personal securities transactions in a timely manner. W&Co. also maintains a list of companies about which a determination has been made that it is prudent to restrict trading activity by W&Co. and/or its personnel. Generally, an employee may not trade securities of a company included on this list; however, exceptions may be granted under certain circumstances if pre-clearance is granted (e.g., during a "window period" of a public company of which W&Co. is an "insider").

W&Co. has also adopted policies regarding outside activities of employees, conflicts of interest, the prevention of insider trading, certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. W&Co.'s code of ethics is designed to promote the ethical behavior of all of its personnel and to ensure compliance with applicable regulation and best practices. W&Co. will provide a copy of its code of ethics to any investor upon request.

- B. W&Co. does not generally recommend to the Funds, or buy or sell for client accounts, securities in which W&Co. or a related person has a material financial interest.

- C. Neither W&Co. nor any related person invests in the same securities that W&Co. recommends to the WDO Fund.
- D. W&Co. does not recommend securities to the WDO Fund, nor does it buy or sell securities for the WDO Fund's account, at or about the same time W&Co. buys or sells the same securities for its own account or the account of a related person.

## **Item 12: Brokerage Practices**

- A. The factors considered in selecting and approving brokers that may be used to execute transactions for the WDO Fund include, but are not limited to:
  - Reputation, financial strength and stability
  - Quality of execution -- accurate and timely execution, clearance and dispute resolution
  - Error correction capabilities
  - Block trading and block positioning capabilities
  - Willingness to execute difficult transactions
  - Willingness and ability to commit capital
  - Access to underwritten offerings and secondary markets
  - Ongoing reliability
  - Overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads, in the context of the Firm's knowledge of negotiated commission rates currently available and other current transaction costs
  - Nature of the security and the available market makers
  - Desired timing of the transaction and size of trade
  - Confidentiality of trading activity
  - Market intelligence

W&Co. has established procedures for reviewing broker trading volumes, prices, commissions, other transaction costs and the overall quality of execution for the WDO Fund. On a quarterly basis, or more frequently as deemed necessary, W&Co. conducts an evaluation of the effectiveness of such procedures and of the execution quality for the WDO Fund. W&Co.'s evaluation includes a review of all brokers used during the preceding quarter based on the factors outlined above. Additionally, W&Co. conducts a review of the list of approved brokers to determine whether such brokers continue to demonstrate the ability and commitment to provide best execution in light of the changing needs and trading history of the WDO Fund, among other things. The quarterly best execution review is documented in a memorandum to the files.

- B. As W&Co. currently manages a single WDO Fund, W&Co. does not have the opportunity to aggregate orders.

### **Item 13: Review of Accounts**

- A. The WDO Fund's Investment Committee, which consists of certain senior officers of W&Co., meets weekly to discuss the status of the WDO Fund's investments.
- B. W&Co. does not generally engage in formal reviews of the WDO Fund's account other than during the weekly Investment Committee meetings.
- C. W&Co. provides each investor with information regarding the WDO Fund and its investments, as well as unaudited capital statements for the WDO Fund, on a monthly basis. W&Co. provides each investor with audited financial statements on an annual basis.

### **Item 14: Referrals and Other Compensation**

- A. Only clients compensate W&Co. and its employees for providing investment advice to clients.
- B. As disclosed more fully in Form ADV, Part 1, W&Co. compensates third parties for the referral of investors. Fees paid by investors to placement agents generally reduce the management fees paid by such investors.

### **Item 15: Custody**

W&Co. is deemed to have custody of the WDO Fund's cash and securities because an affiliate serves as the General Partner to the WDO Fund. W&Co. shall maintain all publicly traded securities, and any other securities required to be held with a qualified custodian, with a qualified custodian.

Additionally, W&Co. shall deliver to investors independently audited financial statements of the WDO Fund prepared in accordance with generally accepted accounting principles to the WDO Fund's investors no less frequently than annually, within 90 days of fiscal year end.

### **Item 16: Investment Discretion**

W&Co. or an affiliate has discretionary authority over any cash or securities accounts that it may establish for the purpose of custodying WDO Fund assets. W&Co. or an affiliate is granted power of attorney over such assets and has the discretionary authority to make any investments deemed suitable for the WDO Fund within the investment objectives of the WDO Fund.

### **Item 17: Voting Client Securities**

W&Co. has full authority to vote the WDO Fund's securities. Due to the WDO Fund's investment strategy and the nature of interests generally recommended by W&Co., W&Co. does not anticipate frequently holding public securities with voting authority on behalf of the WDO Fund.

If the WDO Fund does hold public securities with voting authority, W&Co. shall determine to vote in the best interests of the WDO Fund. W&Co. will generally vote with management. However, in certain situations, W&Co. may vote against management. W&Co. will maintain a log of all proxies received, how W&Co. voted and the rationale for the vote. Any investors with questions regarding W&Co.'s proxy voting policy or how W&Co. voted in a specific instance should contact W&Co. directly.

#### **Item 18: Financial Information**

W&Co. does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. W&Co. has not been subject of a bankruptcy petition at any time during the past ten years