

# **Westfield Investment LLC**

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**This brochure provides information about the qualifications and business practices of Westfield Investment LLC. If you have any questions about the contents of this brochure, please contact us at (908)356-0508 and/or [ren.gao@westfieldinvestment.com](mailto:ren.gao@westfieldinvestment.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 Westfield Investment LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Westfield Investment LLC is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Not applicable.

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## Item 4. Advisory Business

Westfield Investment LLC, a Delaware limited liability company (“**Westfield Investment**”), is an investment advisory services firm registered with the Securities and Exchange Commission (“**SEC**”). Renyuan Gao, Chief Investment Officer of Westfield Investment, is the majority owner of Westfield Investment. Westfield Investment has been in business since 2015.

As of the date of this Brochure, Westfield Investment provides investment management services to Westfield Fund LP, a Delaware limited partnership (“**Westfield Fund Delaware**”), and Westfield Fund (Cayman) Ltd., a Cayman Islands exempted company (“**Westfield Fund Cayman**”), and together with Westfield Fund Delaware, the “**Westfield Fund**”). The limited partnership interests in Westfield Fund Delaware are primarily offered to U.S. taxable investors, while the equity interests in Westfield Fund Cayman are offered to non-U.S. investors and U.S. tax exempt investors. Westfield Fund Delaware also acts as a “master” fund for Westfield Fund Cayman, which invests substantially all of its assets through Westfield Fund Delaware.

The Westfield Fund’s primary objectives are to seek attractive returns (i) by primarily investing and trading in a broad range of fixed income products, such as securitization vehicles and credit-related assets, including, without limitation, bond, swaps, options, loans, residential and commercial mortgage-backed securities, collateralized loan obligations, warehouse arrangements, credit-linked notes, structured notes, corporate bonds, loan portfolios and tranches and (ii) when opportunities arise, by trading, on a limited basis, publicly-traded equity securities, exchange-traded funds, over-the-counter and exchange-traded derivatives, futures, options on futures, and other equity or equity-linked products. The Westfield Fund is expected to invest on a global basis and in assets that are originated inside or outside the United States, whether denominated in U.S. dollar or in another currency. Although the Westfield Fund intends to maintain a balanced portfolio with a desirable mix of U.S. and non-U.S. assets, its investments will be based on opportunities available and not on a predisposition to engage in a particular market.

Except for any investment restrictions in the limited partnership agreement of Westfield Fund Delaware, investors generally do not have the ability to limit Westfield Investment’s investment authority or opt out of the Westfield Fund’s overall investment program, although certain investors may be excused from participating in certain investments for regulatory reasons.

Westfield Investment does not participate in wrap fee programs.

As of December 31, 2017, Westfield Investment had approximately \$149 million in client assets under management on a discretionary basis.

## Item 5. Fees and Compensation

### A. Management Fee

Westfield Investment is entitled to receive from the Westfield Fund a management fee (the “**Management Fee**”), payable monthly in advance as of the first business day of a calendar month, equal to two percent (2.0%) per annum (1/12 of 2% per month) of the capital account balances of

all limited partners of Westfield Fund Delaware at the first day of each calendar month. The Management Fee is adjusted pro rata for any subscriptions and liquidation.

Westfield Investment may, in its sole discretion, waive all or any portion of the Management Fee with respect to any investor.

## **B. Expenses**

The Westfield Fund bears all expenses associated with the operation of the Westfield Fund, including legal, accounting, bookkeeping, auditing, administrator, consultant, asset assignment and settlement, tax preparation and tax filing, independent appraiser or other professional expenses, interest on margin loans and other indebtedness, expenses related to compliance-related matters and regulatory filings, custodial fees, bank service fees, investment related fees and expenses such as brokerage commissions, filing and registration fees, reporting expenses, research expenses, portfolio management services, litigation and other extraordinary expenses, taxes and any other applicable out-of-pocket third party expenses.

Westfield Investment bears its own operating, general, administrative and overhead costs and expenses, other than the expenses borne by the Westfield Fund.

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

Westfield Investment GP LLC, a Delaware limited liability company and an affiliate of Westfield Investment, is entitled to receive from the Westfield Fund an incentive allocation (the “**Incentive Allocation**”) equal to 20% of the net profits allocated to the limited partners of Westfield Fund Delaware. The Incentive Allocation is calculated annually and is subject to a loss carryforward limitation, which requires that prior unrecouped net losses be made up before the Incentive Allocation is made. For withdrawal that occurs on a date other than the date on which the Incentive Allocation is made, the Incentive Allocation will be calculated and accrued to the date of the withdrawal.

The Incentive Allocation may create an incentive for Westfield Investment and its affiliates to make investments that are riskier or more speculative than would be the case in the absence of a financial incentive based on the Westfield Fund’s performance.

Westfield Investment may, in its sole discretion, waive all or any portion of the Incentive Allocation with respect to any investor.

Westfield Investment structures any performance or incentive fee arrangement, including the Incentive Allocation, to comply with Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and exemptions available thereunder, including the exemption set forth in Rule 205-3. Incentive Allocations are determined based upon net profits which include realized and unrealized gains and losses. As such, certain Incentive Allocations may be based on unrealized gains that investors do not realize. Performance-based fee arrangements may create an incentive for Westfield Investment to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

## Item 7. Types of Clients

As noted in Item 4 (“**Advisory Business**”), Westfield Investment currently provides investment advice to the Westfield Fund, although it may in the future provide investment advisory services to other private investment funds (such funds, together with the Westfield Fund, the “**Funds**”) and other clients.

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

### A. Methods of Analysis and Investment Strategies

As noted above in Item 4 (“**Advisory Business**”), the Westfield Fund’s primary objectives are to seek attractive returns (i) by primarily investing and trading in a broad range of fixed income products, such as securitization vehicles and credit-related assets, including, without limitation, bond, swaps, options, loans, residential and commercial mortgage-backed securities, collateralized loan obligations, warehouse arrangements, credit-linked notes, structured notes, corporate bonds, loan portfolios and tranches and (ii) when opportunities arise, by trading, on a limited basis, publicly-traded equity securities, exchange-traded funds, over-the-counter and exchange-traded derivatives, futures, options on futures, and other equity or equity-linked products (the investment products and activities described above are collectively referred to herein as the “**Portfolio Investments**”).

The Westfield Fund is expected to invest on a global basis and in assets that are originated inside or outside the United States, whether denominated in U.S. dollar or in another currency. For example, the Westfield Fund might seek investments in securities that are issued in Europe, Asia, South America, or Oceania and denominated in a foreign currency. The Westfield Fund may invest in Renminbi-denominated bonds and equities through QFII and RQFII channels. Although the Westfield Fund intends to maintain a balanced portfolio with a desirable mix of U.S. and non-U.S. assets, its investments will be based on opportunities available and not on a predisposition to engage in a particular market. Although the Portfolio Investments may be denominated in any currency, the Westfield Fund seeks to maximize total returns on a U.S. Dollar basis.

Westfield Investment employs a rigorous investment process in conducting its portfolio management activities. The core of this investment process is comprised of two primary functions: “Underwriting” and “Surveillance”. “Underwriting” involves the analysis of potential Portfolio Investments before making an investment. “Surveillance” involves constant monitoring of all Portfolio Investments owned by the Westfield Fund. These functions are supported by a dedicated focus on “Sourcing” and “Trading”, each of which seeks to find the best potential Portfolio Investments available in the primary and secondary markets and to ensure that acquisitions and dispositions of potential and current Portfolio Investments are executed at appropriate prices. These activities are undertaken by utilizing prudent portfolio management techniques designed to ensure that (i) the investment objectives of a Fund are being met, (ii) the inherent risks associated with each potential Portfolio Investment are understood and deemed to be appropriate for the Westfield Fund, and (iii) the return potential of each proposed and current Portfolio Investment is commensurate with such inherent risks.

Westfield Investment actively seeks to identify and manage risks before they are widely known and understood by the market. Regular and thorough surveillance of all Portfolio Investments would better permit Westfield Investment to detect changes in performance or risks so that Westfield Investment may actively manage risks of the Portfolio Investments.

To reduce various risks such as interest rate, credit spread, currency, macroeconomic, funding and individual asset price volatility, the Westfield Fund may enter into hedging transactions to reduce risk exposures. This may involve various financial instruments such as interest risk swaps, options, credit default swaps, foreign exchange swaps, forward contracts, and credit default swap index products, and may also involve certain hedging strategies including both long and short positions in a securitization or other investment vehicles. There are no limits on the amounts that may be paid by the Westfield Fund by way of premium or margin in connection with such transactions.

## **B. Risk of Loss**

The following is a brief summary of certain of the more significant risks associated with Westfield Investment's investment strategies. A more detailed description of the risks associated with Westfield Investment's investment strategies as well as other risks associated with an investment in the Westfield Fund are included in the Westfield Fund's offering documents.

***High Risk Nature of the Portfolio Investments.*** The Westfield Fund intends to invest in asset classes which may be speculative in nature and may present particular risks if the Westfield Fund is not sufficiently diversified or if the relevant markets for these asset classes are particularly volatile. There can be no guarantee that an investor will receive any return on its investment or the return of the amount it has invested.

***General Economic and Market Conditions.*** The success of the Westfield Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Westfield Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Westfield Fund's investments. Volatility or illiquidity could impair the Westfield Fund's profitability or result in losses. The Westfield Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the position, the greater the potential for loss.

A sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Westfield Fund's profitability, impede the ability of the issuers in which the Westfield Fund invests to perform under or refinance their existing obligations, and impair the Westfield Fund's ability to effectively exit its investment on favorable terms. It is possible that as a result of a significant weakening of credit conditions, the Westfield Fund could suffer adverse consequences, any of which could adversely affect the business of the Westfield Fund and impede the Westfield Fund's ability to effectively achieve its investment objective. Any of the foregoing events could result in substantial or total losses to the Westfield Fund in respect of certain

investments, which losses will likely be exacerbated by the presence of leverage in an investment's capital structure.

**Limited Diversification.** The Westfield Fund's Portfolio Investments could become concentrated on one industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the Westfield Fund. It could also become concentrated to a limited number or types of financial instruments, which could expose the Westfield Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

**Financial Market Fluctuations.** General fluctuations in the market prices of securities and interest rates may adversely affect the value of the Westfield Fund's investments. Volatility and instability in the securities markets and volatility in interest rates may also increase the risks inherent in the Westfield Fund's investments. There can be no assurance that U.S. financial and global markets will not again experienced high levels of volatility, which may adversely affect the Westfield Fund and its investments.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, executing and realizing on investments that fall within the asset classes anticipated to be pursued by the Westfield Fund is highly competitive and involves a high degree of uncertainty and will be subject to market conditions. Likewise, there can be no assurance that the Westfield Fund will be able to realize profit upon the values of its investments or that it will be able to fully invest its capital. To the extent that the Westfield Fund encounters competition for investments, returns to the investors may decrease.

**Event-Driven Investments.** The Westfield Fund may select investments based on an anticipated catalyst (industry-wide or company-specific). Catalysts can include industry sector trend, company liquidations, litigation, mergers, tender and exchange offers, restructurings, regulatory events, legislative actions, and asset sales, among other things.

Event-driven investing requires making predictions about the likelihood that an event will occur and the impact such event will have on the value of a company's securities. If the event fails to occur or its effect was not foreseen, losses can result. For example, completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as anticipated, resulting in losses. In addition, a company may announce restructuring plans which promises to enhance value and fail to implement it, resulting in losses. Furthermore, the anticipated business environment or company operation improvements may not materialize, resulting in losses. Because of the inherently speculative nature of event-driven investing, the Westfield Fund's results may fluctuate from period to period. Accordingly, Limited Partners should understand that the results of a particular period will not necessarily be indicative of results that we expect to obtain in future periods.

**Opportunistic Investing.** The Westfield Fund may engage in opportunistic investing, which entails utilizing capital where it is needed most, mostly in complex, deep value situations. For example, it might be opportunistic for the Westfield Fund to invest in companies that are in distress, selling assets, leaving or entering new businesses or changing their capital structures.



Similar to event-driven investing, opportunistic investing is highly speculative and may cause the Westfield Fund's results to fluctuate significantly over time.

***Investments in Undervalued Assets.*** The Westfield Fund may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Westfield Fund's investments may not adequately compensate investors for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in the Westfield Fund.

The Westfield Fund may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, the Westfield Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Westfield Fund's net asset value would be committed to the assets purchased, possibly preventing the Westfield Fund from investing in other opportunities. In addition, the Westfield Fund may finance such purchases with borrowed funds and thus will have to pay interest on such securities during such waiting period.

***Distressed Securities.*** The Westfield Fund may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these securities and investments ordinarily remains in defaulted state with limited market liquidity until the company reorganizes and/or emerges from bankruptcy proceedings. As a result, these securities may have to be held for an extended period of time. A wide variety of factors, including, for example, the result of litigation between the participants in a reorganization, liquidation proceeding, discretionary consents from various governmental authorities, or others may affect the value of these securities. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of Westfield Investment to reliable and timely information concerning material developments affecting a company. The level of analytical sophistication, in financial, legal, and business analysis necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that Westfield Investment will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to the company in which the Westfield Fund invests, the Westfield Fund may lose its entire investment or may be required to accept cash or securities with a value less than the Westfield Fund's original investment.

***High Yield, Low or Not Rated Securities.*** The Westfield Fund may invest in "high yield" bonds and preferred securities or unrated debt securities in the lower categories by the various credit rating agencies. Securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of

deterioration or general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

***Structured Credit Products.*** The Westfield Fund may invest extensively in structured credit products, including “cashflow” structures or synthetic structured credit products, “market value” structures or hybrid cash/synthetic securities (collectively, the “**Structured Credit Products**”). Given the complexity of many Structured Credit Products, including the composition and credit characteristics of the underlying collateral, credit risk associated with these products is difficult to measure. Therefore, Structured Credit Products may be subject to significant credit risk, including risk of default or downgrade. Moreover, due to a lack of an active secondary market for structured credit products, they generally are illiquid and difficult to value. Structured credit products are also subject to correlation risk, interest rate risk, market risk and operational risk. To the extent prices may be obtained on some or all of the Structured Credit Products that Westfield Fund invests in, those prices may be extremely volatile, and may generally fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of these Structured Credit Products.

***Real Estate Risks Generally.*** The Westfield Fund may invest in real estate-related securities, such as REITs and mortgage-backed securities. As such, the Westfield Fund’s investment will be subject to the risks inherent in the ownership of real estate-related securities and the ownership, construction, management financing and sale of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals generally, and in the United States in particular, may negatively impact the amount of income generated by the Westfield Fund’s investments and therefore performance of the Westfield Fund.

***Fixed Income Securities.*** The Westfield Fund may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are subject to the risk of the issuer’s or a guarantor’s inability to meet principal and interest payments on its obligations and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the company and general market liquidity.

***Derivative Instruments.*** The Westfield Fund may, directly or indirectly, use various derivative instruments. Use of derivative instruments presents various risks which include, among other things, the following:

- **Tracking**—When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying

investment sought to be hedged may prevent the Westfield Fund from achieving the intended hedging effect or expose the Westfield Fund to the risk of loss.

- **Liquidity**—Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Westfield Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Westfield Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Westfield Fund to the potential of greater losses.
- **Leverage**—Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Westfield Fund and could cause the Westfield Fund's Net Asset Value to be subject to wider fluctuations than would be the case if the Westfield Fund did not use the leverage feature in derivative instruments.
- **Over-the-Counter Trading**—Derivative instruments that may be purchased or sold by the Westfield Fund may include instruments not traded on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Westfield Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

***Risks Related to Synthetic Assets.*** The Westfield Fund may acquire exposure to the risk of certain investments indirectly by entering into derivatives transactions (each, a "**Synthetic Asset**"). Each Synthetic Asset references one or more reference obligations. Exposure to such reference obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the securities. The Westfield Fund will have a contractual relationship only with a counterparty, and not with any issuer (each, a "**Reference Entity**") of an equity unless the Reference Entity fails to pay principal or interest on time or files for bankruptcy, physical settlement applies and the counterparty delivers the equity to the Westfield Fund or any of its subsidiaries. In the event of the insolvency of the counterparty, the Westfield Fund will be treated as a general creditor of the counterparty, and will not have any claim of title with respect to the equities. Consequently, the Westfield Fund will be subject to the credit risk of the counterparty, as well as that of the Reference Entity.

Synthetic Assets are expected to be less liquid and not as tradable as other collateral obligations and may be subject to more variability between their market value and actual sale price of the underlying equity than other collateral obligations so that in volatile markets the Westfield Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Westfield Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Westfield Fund to the potential of greater losses. In addition, there is no assurance

that a buyer will be available or a termination value will be immediately determinable if the Westfield Fund decides to sell or terminate a Synthetic Asset.

***Foreign Securities.*** Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the exchange between the U.S. dollar (the currency in which the books of the Westfield Fund are maintained and the various foreign currencies in which the Westfield Fund's portfolio securities will be costs associated with conversion of investment principal and income from one currency to another (ii) differences between the U.S. and foreign securities markets, including the absence of accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

***Capital Structure Arbitrage.*** The Westfield Fund may engage in capital structure arbitrage, which entails making investments that seek to capitalize on situations where the pricing of different types of securities within the capital structure of the same company become dislocated due to overreactions to specific credit or industry news, or macro factors such as capital flows or world events, among other things. For example, the Westfield Fund may buy a senior secured bond and sell short the unsecured bond of the same company through cash or derivative instruments, in anticipation that the senior secured bond will increase in value while the unsecured bond decreases in value. However, if these securities move in opposite directions than Westfield Investment anticipated, the Westfield Fund may incur substantial losses.

***Short Sales.*** The Westfield Fund may sell securities short. Selling securities short runs the risk of losing an amount greater than the amount invested. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. A short sale may result in a sudden and substantial loss if, for example, an acquisition proposal is made for the subject company at a substantial premium over market price. In addition, the supply of securities which can be borrowed fluctuates from time to time. The Westfield Fund may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Westfield Fund is otherwise unable to borrow securities which are necessary to hedge its positions.

***Counterparty Risk.*** Some of the markets in which the Westfield Fund may effect transactions are "over-the-counter" or "inter-dealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Westfield Fund to the risk that a counterparty (including a prime broker or custodian) will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Westfield Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Westfield Fund has concentrated its transactions with a single or small group of counterparties. The Westfield Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, Westfield Investment's evaluation of the Westfield Fund's counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Westfield Fund's

counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Westfield Fund.

***Potential Involvement in Litigation.*** The Westfield Fund may become involved in litigation as a result of investments in distressed securities and its participation in restructuring activities. Litigation entails expense and the possibility of counterclaims against the Westfield Fund and ultimately judgments may be rendered against the Westfield Fund for which the Westfield Fund does not carry insurance.

## **Item 9. Disciplinary Information**

We do not have any legal, financial, regulatory, or other “disciplinary” item to report to clients. This statement applies to both Westfield Investment and to its employees.

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

At this time, neither Westfield Investment nor any of our management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”) or commodity trading advisor (“CTA”). In addition, neither Westfield Investment nor any of our management persons is an associated person of an FCM, a CPO or CTA.

As described above, Westfield Investment GP LLC, an affiliate of Westfield Investment, serves as the general partner to Westfield Fund Delaware and is entitled to receive Incentive Allocations.

Westfield Investment does not recommend or select other investment advisers for clients.

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

***General Description.*** Westfield Investment has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act for purposes of establishing the standards of business conduct and fostering a culture of honesty and accountability. The Code of Ethics is applicable to officers, members and employees of Westfield Investment (collectively, “**Covered Persons**”).

The Code of Ethics contains policies which address the following situations, among others:

***Personal Trading Policies.*** To seek to avoid conflicts of interest with respect to securities transactions by Covered Persons, these policies generally apply to any personal trading transaction of a Covered Person involving any equity or debt securities (or derivative products relating to these securities), but excluding direct obligations of the U.S. government, bank CDs, closed-end mutual fund shares (other than exchange-traded funds, “**ETFs**”) and open-end mutual fund shares (so long as Westfield Investment does not act as investment adviser, sub-adviser or principal underwriter of the fund) (the securities with respect to which the policy applies, “**Covered Securities**”).

The Code of Ethics generally prohibits Covered Persons from buying Covered Securities in a personal account (which is any account over which the Covered Person has direct or indirect

influence or control). Covered Persons are permitted to invest in securities and other investment products for their own accounts consistent with Rule 204A-1 under the Advisers Act, and in such a manner so as to avoid any actual or potential conflict of interest, or any abuse of an individual's position of trust and responsibility. These transactions may be the same as or different from the transactions that Westfield Investment executes for the Funds. Covered Persons' personal securities transactions generally must be approved in advance, subject to certain limited exceptions such as accounts for which the employee does not maintain investment control or participate in the investment decisions.

The Code of Ethics requires Covered Persons to submit annual personal trading reports detailing any covered transactions they engaged in during the period. For all personal accounts, officers, members and employees are also required to direct their brokers to send duplicate copies of trade confirmations and periodic statements (if any) to the Chief Compliance Officer. These records are used to monitor compliance with the foregoing policies.

***Insider Trading & Market Manipulation.*** Westfield Investment has adopted policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by employees. If an employee receives information he/she believes is material non-public information, the employee is required to convey such information to the outside general counsel immediately. No employee may engage in any conduct intended to manipulate the price of any security or trading market.

In addition to the foregoing, the Code of Ethics contains the following policies for Westfield Investment's employees:

- The Gifts and Entertainment Policy includes pre-clearance and/or reporting procedures that must be followed regarding the acceptance and offer of gifts, favors, meals, special accommodations and other items of value from or to any person or entity that does or seeks to do business with or on behalf of Westfield Investment.
- The Outside Affiliations and Business Activities Policy requires prior approval from the Chief Compliance Officer prior to an employee engaging in outside affiliations and business activities, including, without limitation, serving on a board of directors or in management of an outside company or engaging in any outside business or non-profit ventures (such as an ownership interest in a closely-held business, consulting engagements or public/charitable positions).
- The Political Contribution Policy prohibits Westfield Investment and its employees from making any political contribution or engaging in any political activity for the purpose of directly or indirectly influencing or inducing the obtaining or retaining of Westfield Investment's investment advisory services by a government entity (such as state government pension plans, state university endowments or other state or local government accounts), among other things. To help ensure compliance with SEC rules, and state and local pay-to-play rules, all Westfield Investment employees must pre-clear and obtain prior approval from Westfield Investment before they (or their spouse or their dependents) make any contributions (i.e., any monetary contribution or contribution of goods or services) to

a government official (whether federal, state or local), candidate for government office (whether federal, state or local), political party or political action committee.

The Code of Ethics also includes other policies that establish guiding principles and standards of conduct to ensure Westfield Investment and its employees demonstrate high moral and ethical conduct, act in a manner consistent with Westfield Investment's fiduciary duties and act in compliance with applicable law.

*Interest in Client Transactions.* Westfield Investment does not buy or sell securities for its own account. As Westfield Investment GP LLC, an affiliate of Westfield Investment, is general partner to the Westfield Fund, Westfield Investment GP LLC (and indirectly Westfield Investment) may be deemed to be investing in the same securities as Westfield Fund, which is Westfield Investment's client. To the extent this is a conflict of interest, it is unavoidable and the fact that Westfield Investment GP LLC has made, and is allowed to continue to make, capital contributions to the Westfield Fund is fully disclosed in Westfield Fund's governing documents. Westfield Investment's Code of Ethics generally prohibits employees from investing in Covered Securities in which Westfield Fund invests.

Clients or perspective clients may obtain a copy of the Code of Ethics by submitting a written request directly to: Chief Compliance Officer, Westfield Investment LLC, 50 Cardinal Drive, Suite 103, Westfield, NJ 07090 or by calling (908)356-0508.

## **Item 12. Brokerage Practices**

Westfield Investment is responsible for determining what securities will be purchased and sold for each Client and selecting the broker-dealer to execute the transactions on behalf of the Westfield Fund.

In selecting broker-dealers, Westfield Investment seeks those broker-dealers who can provide best execution of transactions under the circumstances. The general policy of Westfield Investment in selecting brokers and dealers is to obtain the best results taking into account factors such as the general execution and operational facilities of the broker or dealer, the type and size of the transaction involved, the creditworthiness of the broker or dealer, the stability of the broker or dealer, execution and settlement capabilities, time required to negotiate and execute the trade, research services and Westfield Investment's arrangements related thereto (as described below), overall performance, the dealer's risk in positioning the securities involved, and the broker's commissions and dealer's spread or mark-up. "Best execution" is not synonymous with lowest brokerage commission. Consequently, in a particular transaction a client may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction.

Westfield Investment may generate "soft dollars" with regard to trades made on behalf of clients. "Soft dollars" refers to Westfield Investment's receipt of research or other products or services other than execution from brokers. Products and services Westfield Investment obtained through soft dollar arrangements in the past year include (i) market data, from vendors such as Bloomberg; or (ii) proprietary research from brokers or third party consultants, which may be

written, oral or electronic. Research products may also include, among other things, permitted computer databases and quotation software, in each case, to access research or which provide research directly, other software, databases and certain other technical and telecommunication services utilized in the investment management process. Research services (which may be in written or oral form or electronic) may include, among other things, research concerning market, economic and financial data, statistical information, data on pricing and availability of securities, financial publications (to the extent appropriate), electronic market quotations and news, performance measurement and pricing services, permitted risk management analysis and performance studies, analyses concerning specific securities, companies or sectors, and market, economic and financial studies and forecasts.

Westfield Investment intends to use soft dollar benefits to service the account of the Westfield Fund and the accounts of any other Funds it may service in the future and not only those that generate the benefits. Because the brokerage and research benefit all accounts, soft dollar benefits are not proportionally allocated to any Funds that may generate different amounts of the soft dollar benefits. When Westfield Investment uses Fund brokerage commissions (or markups or markdowns) to obtain research or other products or services, Westfield Investment receives a benefit because it does not have to produce or pay for the research, products or services. As a result, Westfield Investment may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the applicable Fund's interest in receiving the most favorable execution.

Westfield Investment does not consider, in selecting or recommending broker-dealers, any client referrals it may receive from a broker-dealer or third party. Westfield Investment does not recommend, request or require that a Fund direct the execution of transactions through a specified broker-dealer, nor does it have any arrangement in which it directs transactions for any Fund to a specific broker-dealer based on any other consideration than best execution and such Fund's best interests.

Westfield Investment will generally seek to aggregate purchases and sales when Westfield Investment believes that aggregation will result in the execution of transactions in a more timely and efficient manner, such as a reduction in overall execution costs and impact on the market price of the underlying securities.

### **Item 13. Review of Accounts**

Westfield Investment performs various daily, monthly and quarterly reviews of the Funds' portfolios. These reviews are conducted by the Chief Investment Officer and certain risk management personnel.

Investors in the Westfield Fund receive periodic written reports on the Westfield Fund's operations that contain information about the value of the Westfield Fund's net assets and the Westfield Fund's annual financial statements, audited by an independent public accounting firm. Investors also receive periodic written communications from Westfield Investment discussing its investment views and strategies and the performance of the Westfield Fund.



#### **Item 14. Client Referrals and Other Compensation**

Westfield Investment does not receive an economic benefit from any person who is not a client for providing investment advice or other advisory services.

Westfield Investment does not directly or indirectly compensate any person for client referrals.

#### **Item 15. Custody**

Westfield Investment is deemed to have custody over the assets of the Funds because of the authority of Westfield Investment and its affiliates over the accounts and assets of the Funds. Annual financial statements audited by an independent public accounting firm are prepared for each Fund. See Item 13 (“Review of Accounts”). The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the applicable Fund’s fiscal year end. As of the date of this Brochure, Westfield Investment utilizes Interactive Brokers LLC as Westfield Fund’s prime broker, and State Street Bank and Trust Company as its custodian.

#### **Item 16. Investment Discretion**

As discussed, Westfield Investment has discretionary authority to manage investments on behalf of the Funds. Westfield Investment is subject to any limitations on investments set forth in the governing documents of the Westfield Fund or the Investment Management Agreement (the “**Investment Management Agreement**”) between the Westfield Fund and Westfield Investment. Westfield Investment assumes this discretionary authority pursuant to the Investment Management Agreement.

#### **Item 17. Voting Client Securities**

As required by Rule 206(4)-6 under the Advisers Act, Westfield Investment has adopted proxy voting policies and procedures (the “**Proxy Policy**”) that are reasonably designed to ensure that Westfield Investment votes proxies in the best interests of clients and that address how Westfield Investment resolves material conflicts of interest that may arise between Westfield Investment’s interests and the interests of its clients.

In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Westfield Investment may address the conflict using several alternatives, including by seeking the approval or concurrence of the relevant fund’s advisory board or investor base on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

Clients or prospective clients may obtain a copy of the Proxy Policy by submitting a written request directly to: Chief Compliance Officer, Westfield Investment LLC, 50 Cardinal Drive, Suite 103, Westfield, NJ 07090 or by calling (908)356-0508.

**Item 18. Financial Information**

Westfield Investment does not require the prepayment of fees more than six months in advance. In addition, Westfield Investment has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.