

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**Pacific Management Partners LLC  
d/b/a NextWorld Capital**

Telephone: 415-870-3110

**December 18, 2020**

**This Brochure provides information about the qualifications and business practices of Pacific Management Partners LLC d/b/a NextWorld Capital and its affiliates (the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.**

**The Firm is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

This is the Firm's filing of Form ADV Part 2A for SEC registration. In the future, Item 2 will discuss material changes to the Brochure since the last annual updating amendment.

### **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

### **A. Description of the Advisory Firm**

The Firm, currently doing business as NextWorld Capital, is a venture capital firm founded in 2009. The Firm is headquartered in Menlo Park, CA.

### **B. Types of Advisory Services**

The Firm serves as an investment adviser to pooled investment vehicles, which are organized as Delaware limited partnerships (each a “Fund” and collectively the “Funds”). Affiliates of the Firm serve as the General Partner or Manager, as applicable, of the Funds. The Firm may also decide in the future to sponsor or manage additional private investment funds or other clients.

From time to time, the Firm forms and manages, on a transaction-by-transaction basis, special purpose vehicles (“SPVs”). Unlike the Funds, which generally do not limit investment discretion, such SPVs are often limited to investing only in the securities relating to the particular transaction for which the SPV was created. Collectively, the SPVs and the Funds will be known as “clients.”

The Firm invests in enterprise technology companies. The Firm aims to work with its portfolio companies to help them build their company and accelerate growth. Investments are made in accordance with the strategy described in each Fund’s offering memorandum, limited partnership or limited liability company operating agreement, and subscription documents (collectively, the “Governing Documents”).

The Funds offer limited partnership or membership interests, as applicable (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

### **C. Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve each Fund’s investment objectives. The Firm has the authority to select which and how many portfolio companies to invest in and determine exit strategies, subject to any restrictions as outlined in the applicable Fund’s Governing Documents.

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

The Firm does not participate in wrap fee programs.

### **E. Amounts Under Management**

As of September 30, 2020, the Firm has approximately \$230 million in regulatory assets under management.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

The fees and compensation payable to the Firm are negotiable and vary among the Funds. However, the range of compensation is generally as follows:

### 1. Management Fee

The Firm typically receives a management fee equal to the Funds' aggregated committed capital multiplied by a percentage as set forth in the Governing Documents. The Funds' management fees are payable quarterly in advance. Management fees are not charged to the SPV at this time.

### 2. Performance-based Fees

Each Fund's and the SPV's General Partner or Managing Member, as applicable, generally receives a carried interest equal to a percentage of all realized profits, as described more fully in each Fund's Governing Documents. The carried interest is generally subject to a clawback at the end of life of the Funds if the General Partner or Managing Member, as applicable, has received excess cumulative distributions.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

### 3. Fee Comparison

Fund expenses, including the management fee and any performance-based fees, can constitute a higher percentage of average net assets than could be found in other investment programs.

#### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from the applicable Funds' assets. Management fees are paid quarterly in advance. Performance-based fees are only paid when the Funds distribute realized proceeds pursuant to the Fund's Governing Documents.

#### C. Fund Expenses and Other Fees

The Funds bear all costs and expenses related to the purchase, holding, sale or exchange of portfolio securities (including, legal, audit, accounting, and banking and brokerage expenses, consulting expenses for services that the General Partner could not reasonably be expected to perform, any placement fees and finder's fees related to investment in portfolio companies, and real or personal property taxes), Fund meetings, indemnification obligations pursuant to the Governing Documents, and liability and other insurance premiums. The Funds also bear all costs and expenses related to the liquidation of the Fund's assets upon termination of the Fund.

The SPV bears all costs and expenses stated in the applicable Governing Documents. Such expenses include the SPV's organization costs and the Firm's ongoing operating and compliance expenses due to the Firm's registration with the SEC.

***It is critical that investors refer to the relevant confidential Governing Documents for a complete understanding of expenses. The information contained herein is a summary only and is qualified in its entirety by such documents.***

#### D. Prepayment of Fees

The Funds invest in the securities of private companies on a long-term basis. Accordingly, all fees are paid during the term of the Funds and Investors are generally not permitted to withdraw or redeem

Interests in the Funds. Fees paid at the beginning of the quarter (such as management fees) will not be refunded or prorated for partial periods.

E. Outside Compensation for the Sale of Securities

Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with the Firm.

**The foregoing discussion in Item 5 represents the Firm's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., the Firm generally receives a carried interest equal to a percentage of all realized profits in a particular Fund. Due to the Fund's structure, the Firm allocates investment opportunities to the Funds, and not to individual Investor accounts.

Differences in the Firm's compensation arrangements with the Funds, particularly if certain Funds were to pay higher performance-based compensation, could create incentives for the Firm to manage Fund portfolios so as to favor those portfolios of Funds paying higher performance-based compensation, as could the ownership interest of the Firm and/or its affiliates (e.g., as a General Partner) in a Fund. Notwithstanding these conflicts, the Firm will allocate transactions and opportunities among the Funds it manages in a manner it believes to be as equitable as possible, considering each Fund's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

Performance-based compensation can provide a possible incentive for the Firm to make riskier or more speculative investments on behalf of a Fund than it might make otherwise. Notwithstanding this potential incentive, the Firm will evaluate investments in a manner that it considers to be in the best interest of the Funds, given those Funds' investment objectives, investment strategies, suitability of the investment, and risk profile.

### **Item 7 – Types of Clients**

The Firm provides investment advice and management to the Funds and may in the future provide the same or similar services to other clients.

The Firm intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund's Governing Documents, which set forth all of the terms in detail. Though the Funds generally pursue the same strategy, offering terms may differ.

Each Investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) and "qualified client" (as defined in Rule 205-3 under the Advisers Act) and must meet other criteria as specified in the Governing Documents. The minimum initial investment varies by Fund but is generally \$20,000, subject to waiver at the discretion of the Firm.

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

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

The Firm is a venture capital firm investing in enterprise technology companies. The Firm focuses on investing at the early stage, typically Seed, Series A, and B rounds. The Firm aims to help its portfolio companies build and optimize their go-to-market model and accelerate growth with its value-add services.

### **C. Risks of Investments and Strategies Utilized**

***Risk Inherent in Venture Capital Investments.*** The types of investments that the Funds anticipate making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Funds' term, while successes often require a long maturation.

Development stage companies often experience unexpected problems in the areas of product development, technology, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the growth equity or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities.

***Investment in Companies Dependent upon New Scientific Developments and Technologies.*** The Funds plan to focus a significant portion of its investing on technology companies. The value of the Fund's interests may be susceptible to factors affecting the technology industry and to greater risk

than an investment in a partnership that invests in a broader range of securities. The specific risks faced by such companies include:

- Rapidly-changing science and technologies
- New competing products and improvements in existing products which may quickly render existing products or technologies obsolete
- Scarcity of management, technical, scientific, research and marketing personnel with appropriate training
- The possibility of lawsuits related to patents and intellectual property
- Changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky)
- Exposure to government regulation, making these companies susceptible to changes in government policy and delays or failures in securing regulatory approvals

***Investment in Publicly Traded Securities.*** The Funds may invest in or hold publicly traded securities. Investments or holdings in public securities can entail certain risks. For example, the Fund and the General Partner may obtain less information and disclosure about a company whose securities are publicly traded than from a privately held company. Further, the market for publicly traded securities is extremely volatile due to economic conditions, political events, and for many other reasons. Such volatility may adversely affect the ability of the Fund to dispose of investments or affect the value of investment securities on the date of sale by the Fund. Furthermore, notwithstanding the existence of a public market for the securities of a particular portfolio company of the Fund, publicly traded securities held by the Fund may be thinly traded or may cease to be traded after the Fund invests in them. Any securities that the Fund holds that are thinly traded may be subject to wider price fluctuations than other companies whose securities are more actively traded, and the spreads between the bid and ask prices of thinly traded securities of these companies may be larger than the spreads for more actively traded securities. There can be no assurance that the Fund's investments or holdings in publicly traded securities will be profitable, and there is a material risk that the Fund could incur losses from its investments or holdings in publicly traded securities.

***Focused Investment Strategy.*** The Funds will be focused on investments in technology companies and may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently more risky and could cause the Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

***Difficulty in Valuing Portfolio Investments.*** Generally, there will be no readily available market for a substantial number of the Funds' investments and hence, most of the Funds' investments will be difficult to value. Despite the General Partner's efforts to acquire sufficient information to monitor certain of the Fund's investments and make well-informed valuation and pricing determinations, the General Partner may only be able to obtain limited information at certain times and, in some cases, may not be able to obtain information beyond the information that is publicly available. It is possible that the General Partner may not be aware on a timely basis of material adverse changes that have



occurred with respect to certain of the Fund's investments. The value of the Fund's assets could be significantly negatively affected by any such event. Further, the General Partner may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the General Partner may not represent the fair market value of the securities acquired by the Fund.

***Competitive Marketplace.*** The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the Funds' potential competitors may have greater financial and personnel resources than the General Partner. There can be no assurances that the General Partner will locate an adequate number of attractive investment opportunities. To the extent that the Fund encounters competition for investments, returns to investors in the Fund may vary.

***Availability of Attractive Investment Candidates.*** The success of the Funds will hinge on its ability to locate attractive investment candidates. There can be no assurances that attractive candidates will be found in sufficient quantity to allow all of the capital commitments to be drawn within the term of the Fund.

***Bridge Financing.*** The Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

***Leverage.*** To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Fund in such company could be significantly reduced or even eliminated.

***Limitations on Ability to Exit Investments.*** The General Partner expects to exit from its investments in two principal ways: (i) private sales (including acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the Fund, or timing with respect to these exit mechanisms may be inopportune. In particular, the receptiveness of the public market to the Fund's portfolio companies may vary dramatically from period to period, and an otherwise successful portfolio company may yield poor investment returns if the Fund is unable to dispose of securities of such portfolio company due to poor market conditions in the market for publicly traded securities. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

***Absence of Liquidity and Public Markets.*** A majority of the Funds' investments will be private, illiquid holdings. As such, there will be no public markets for such securities held by the Fund and no readily available liquidity mechanism at any particular time for any such investments held by the Fund. In addition, the realization of value from any investments (both public and private) will not be possible or known with any certainty until the General Partner elects, in its sole discretion, to sell the Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

***Foreign Investments.*** The Funds may invest in companies that are based outside of the United States or the operations of which are primarily outside of the U.S. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and the Fund's profits and losses on such investments, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Fund could become subject to an unanticipated local tax liability. The profits or losses of the Fund on any investment, as measured in United States dollars, may be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Fund may incur costs in connection with conversions between various currencies. The Fund does not presently intend to seek to reduce currency risks through "hedging" or other methods.

***Limited Portfolio Diversification.*** As is typical of venture capital firms, the portfolio holdings of the Funds will not be broadly diversified. In addition, if the General Partner is unable to raise sufficient capital commitments to the Fund, the diversification of the portfolio holdings of the Fund will be further limited. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to investors by the Fund.

***Conflicts of Interest.*** The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Funds. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of the General Partner (or its members) may potentially or actually conflict with the interests of the Fund and the Limited Partners. For example, the existence of the General Partner's carried interest may

create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest may arise as a result of the Fund's Partners or their members or affiliates having investments in the existing Next World portfolio companies, on the one hand, and investments in other public and private companies, on the other hand.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment in the Funds. Prospective Investors and Investors should read the entire Brochure as well the Governing Documents and other materials that may be provided by the Firm and consult with their own advisers prior to engaging the Firm's services.**

### **Item 9 – Disciplinary Information**

The Firm and its management persons have not been a party to any legal or disciplinary events that would be material to an Investor's or prospective Investor's evaluation of its investment advisory business or the integrity of its management.

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

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

Neither the Firm nor its management persons are registered as a broker-dealer or broker-dealer representative.

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

Neither the Firm nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

#### **C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

The Funds may co-invest with third parties in one or more specific portfolio companies. Where possible and appropriate, a Fund may, but will be under no obligation to, provide co-investment opportunities to one or more Investors before making such opportunities available to others. Any allocations among the Funds and co-investment vehicles would be made on what the Firm believes to be a fair and equitable basis.

#### **D. Selection of Other Advisors or Managers**

The Firm does not utilize nor select other advisors or third-party managers. All assets are managed by the Firm.

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

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

The Firm has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act, as amended. The Code governs the activities of each member, officer, director and employee of the Firm (collectively, “Employees”). The Firm holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to clients. In serving its clients, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that he or she has received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

The Firm will provide a copy of its Code of Ethics to clients or prospective clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

### **B., C. & D. Recommendations Involving Material Financial Interests / Investing Personal Money in the Same Securities as Clients / Trading Securities At or Around the Same Time as Funds’ Securities**

The Funds primarily invest in the securities of private companies. The Firm, its employees and other related persons (including family members and close personal friends) may invest directly or alongside in a Fund. The Firm or its related persons may, from time to time, also invest in portfolio companies. As Investors of the same portfolio companies (and their related products) in which a Fund invests, such persons may participate in any capital gains (or losses) along with the Funds. Accordingly, there is a potential conflict which could cause the Firm to make different investment decisions than if they did not have a financial ownership interest.

The Code requires Employees to obtain preapproval of any investments in private offerings to identify and manage potential conflicts with a Fund’s investments. The Firm requires Employees to sign and adhere to the Code and to report personal securities holdings and transactions to its Chief Compliance Officer.

## **Item 12 – Brokerage Practices**

### **A. Factors Used to Select or Recommend Broker-Dealers**

The Funds primarily invest in private placement securities that are not offered or transacted through a broker-dealer. In limited circumstances where the Funds may transact in publicly-traded or other securities, such trades may be entered and executed through one or more broker-dealers. The Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Funds.

The Firm does not engage in “soft dollar” arrangements with broker-dealers.

### **B. Brokerage for Client Referrals**

The Firm does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does, will appropriately amend this Brochure.

### **C. Directed Brokerage**

The Firm does not accept directed brokerage arrangements. Transactions are executed by brokers selected by the Firm, in its discretion, and without the consent of the Funds or Fund Investors. The Firm may enter into directed brokerage arrangements only in its discretion.

## **Item 13 – Review of Accounts**

### **A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

The investments made by the Funds are generally private, illiquid and long-term in nature. The Firm closely monitors companies in which the Funds invest and conducts reviews no less than quarterly to confirm that each Fund is maintained in accordance with its stated objectives.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, or political conditions.

### **C. Content and Frequency of Regular Reports**

Investors in the Funds will generally receive unaudited reports of performance quarterly and will receive audited year-end financial statements annually.

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

### **A. Economic Benefits Provided by Third Parties**

The Firm does not receive any economic benefit, directly or indirectly from any third party for advice rendered to clients.

**B. Compensation to Non-Advisory Personnel for Client Referrals**

At this time, the Firm does not have any compensation arrangements with non-advisory personnel for client referrals.

**Item 15 – Custody**

A rule under the Advisers Act provides that general partners and managing members, as applicable, of a private investment fund are considered to have “custody” of the fund’s assets, even though independent, qualified custodians actually hold those assets. That rule generally requires investment advisers to cause certain account statements detailing holdings and transactions to be sent to clients, and imposes certain other obligations. However, advisers to investment funds like the Funds need not comply with those requirements if, among other things, the Funds provide Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. The Firm satisfies those conditions and therefore is not subject to reporting and other obligations.

**Item 16 – Investment Discretion**

The Funds’ Governing Documents generally authorize the Firm to invest and trade their assets in a broad range of investments. While there may be certain limitations, such as concentration, geographic area and other parameters, investments are selected at the Firm’s sole discretion. The Firm may enter into certain type of investment transactions and employ any investment methodology or strategy it deems appropriate.

Pursuant to a Funds’ Governing Documents, each Investor designates the Firm as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out a Funds’ business affairs, including execution of the Governing Documents. An Investor’s execution of a Fund’s subscription agreement constitutes its execution of a Fund’s Governing Documents and the terms and conditions set forth therein.

**Item 17 – Voting Client Securities**

The Firm primarily invests in the securities of private companies. To the extent that the Funds hold stock of a public issuer, the Firm will review proxies received in a manner consistent with the overall best interests of the Funds and to seek to avoid material conflicts of interests the Firm has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies permit the Firm to abstain from voting proxies in the event that the Fund’s economic interest in the matter being voted upon is limited relative to the Fund’s overall portfolio or the impact of the Fund’s vote will not have an effect on its outcome or on the Fund’s economic interests.

Where a proxy proposal raises a material conflict between the Firm's interests and the interests of the Funds, the Firm will seek to resolve the conflict in the best interest of the Funds.

If you have any questions about the Firm's proxy voting policy, its proxy voting recordkeeping procedures or if you would like any further information about how proxies are voted, please contact the Firm.

### **Item 18 – Financial Information**

The Firm 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 petition.

A. Balance Sheet

The Firm does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

The Firm has discretionary authority over client assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Years

The Firm has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.