

# Redswan PC, Inc

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Redswan PC, Inc. If you have any questions about the contents of this brochure, please contact us at (314) 123-4567 or by email at: [info@redswan.io](mailto:info@redswan.io). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Redswan PC, Inc is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Redswan PC, Inc's CRD number is: 307278.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## Item 2: Material Changes

Redswan PC, Inc has the following material changes to report. Material changes relate to Redswan PC, Inc's policies, practices or conflicts of interests.

- Edward Ikem Nwokedi is the director of Red Swan Real Estate Fund LLC, a private fund. (Item 10 & 11)
- The firm no longer offers financial planning. (Item 4 & 5)
- The firm has updated the Suite number for their office. (Cover page)
- The firm has updated Fees and Compensation. (Item 5)
- The firm has removed the account minimum. (Item 7)
- The firm has updated Risks of Specific Securities. (Item 8C)
- The firm has removed Entoro Securities, LLC as a custodian/broker-dealer. (Item 12)

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## **Item 4: Advisory Business**

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

Redswan PC, Inc (hereinafter "RPI") is a Corporation organized in the State of Delaware. The firm was formed in May 2018, and the principal owner is Edward Nwokedi.

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

#### ***Portfolio Management Services***

RPI offers ongoing portfolio management services. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset selection
- Asset allocation
- Regular portfolio monitoring

RPI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of RPI's economic, investment or other financial interests. To meet its fiduciary obligations, RPI attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, RPI's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is RPI's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

#### ***Subadvisor Services***

RPI may also act as a subadvisor to advisers unaffiliated with RPI. These third-party advisers would outsource portfolio management services to RPI. This relationship will be memorialized in each contract between RPI and the third-party adviser.

#### ***Services Limited to Specific Types of Investments***

RPI generally limits its investment advice to real estate funds and equities, although RPI primarily recommends commercial real estate equity. RPI may use other securities as well to help diversify a portfolio when applicable.

## C. Client Tailored Services and Client Imposed Restrictions

RPI offers the same suite of services to all of its clients. However, clients on their own select which commercial real estate equity securities to participate in depending on their return and risk objectives and portfolio diversification needs.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. RPI does not participate in wrap fee programs.

## E. Assets Under Management

RPI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$188,187,999	\$0	December 2020

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
All Assets	1.50%

These fees are generally non-negotiable and are disclosed in the private placement memorandum for each commercial real estate equity financing deal and the final fee schedule will be memorialized in the client's advisory agreement.

Clients may terminate the agreement without penalty for a full refund of RPI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

### *Subadviser Services Fees*

RPI may also act as a subadviser to unaffiliated third-party advisers. The notice of termination requirement and payment of fees for subadviser services will depend on the specific third-party investment adviser engaging RPI as subadviser. This relationship will

be memorialized in each contract between RPI and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts or may be invoiced and billed directly to the client on a quarterly basis. The fees are charged quarterly in arrears based on the value of the client's commercial real estate backed digital securities as of the end of the quarter.

### ***Payment of Subadviser Fees***

Subadviser fees may be withdrawn from clients' accounts or clients may be invoiced for such fees, as disclosed in each contract between RPI and the applicable third-party adviser.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of third-party fees (i.e. brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by RPI. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

RPI collects fees in arrears.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither RPI nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

RPI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

RPI generally provides advisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles
- ❖ State or Municipal Government Entities
- ❖ Other Investment Advisers

There is no account minimum.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

RPI's methods of analysis include Fundamental analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

#### *Investment Strategies*

RPI uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

## ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Commercial Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.



### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

Neither RPI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither RPI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Edward Ikem Nwokedi acts as a real estate broker or dealer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. RPI always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of RPI in connection with such individual's activities outside of RPI.

Edward Ikem Nwokedi is the director of Red Swan Real Estate Fund LLC, a private fund. RPI will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that RPI or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, RPI acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

Lucas Ho Tsang acts as a real estate broker or dealer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. RPI always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of RPI in connection with such individual's activities outside of RPI.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

RPI does not utilize nor select third-party investment advisers.

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

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

RPI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. RPI's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

RPI does not recommend that clients buy or sell any security in which a related person to RPI or RPI has a material financial interest.

Edward Ikem Nwokedi is the director of Red Swan Real Estate Fund LLC, a private fund. RPI will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that RPI or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, RPI acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of RPI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of RPI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. RPI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of RPI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of RPI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, RPI will never engage in trading that operates to the client's disadvantage if representatives of RPI buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on RPI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

#### ***1. Research and Other Soft-Dollar Benefits***

RPI does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

#### ***2. Brokerage for Client Referrals***

RPI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

RPI does not trade client's accounts.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

RPI does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

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

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

All client accounts for RPI's advisory services provided on an ongoing basis are reviewed at least Quarterly by Lucas Tsang, CCO. All accounts at RPI are assigned to this reviewer.

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

Reviews may be triggered by material market, economic or political events.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of RPI's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

RPI receives compensation via its arrangement with its underlying subadvisers, but otherwise does not receive any economic benefit from any other third party for advice rendered to RPI's clients.

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

RPI does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, RPI will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

RPI does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

RPI will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

RPI neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither RPI nor its management has any financial condition that is likely to reasonably impair RPI's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

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