

**Firm Brochure**  
(Part 2A of Form ADV)

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This brochure provides you with information about the qualifications, business practices, and nature of advisory services of Worth Venture Partners, LLC, all of which should be considered before becoming an advisory client of our firm. Please contact Larry Wiseman, Chief Compliance Officer and General Counsel, if you have any questions about this narrative brochure.

The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("**SEC**") or by any state securities authority.

We are an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training. Additional information about our firm is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 168610.

March 31, 2021

## **Item 2        Material Changes**

This Part 2A of our Form ADV (“Firm Brochure”) serves as the disclosure document for current and prospective clients, and has been prepared in accordance with requirements specified by the SEC. There have been no material changes since the last update.

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#### **Item 4. Advisory Business**

##### **FIRM DESCRIPTION**

Worth Venture Partners, LLC (“WVP”) is a Delaware domiciled Limited Liability Corporation that was formed on October 15, 2012. WVP is certified as a woman-owned and woman-controlled business by the NWBOC. WVP discovers, selects, and monitors emerging managers who are believed to have a sustainable edge, superior returns and niche expertise, and integrates them into an institutional-quality infrastructure with the goal of delivering significant outperformance to its investors.

The controlling principals of WVP are Abby Flamholz, David Wertentheil, and Andrew de Montille.

##### **TYPES OF ADVISORY SERVICES**

WVP’s current advisory activities consist primarily of providing investment supervisory services to pooled investment vehicles as follows:

WVP currently acts as the investment advisor to four investment funds: WVP Emerging Manager Onshore Fund, LLC (“WVP Fund”), WVP Emerging Manager Private Fund, LLC (“WVP Private Fund”), Antwerp Partners LLC (“Antwerp Fund”), and WVP AL IDF LP (“AL IDF Fund”). In addition, WVP currently acts as the sub-advisor to WVP Insurance Fund I Series of the SALI Multi-Series Fund IV, L.P. (“Insurance Fund I”). Unless separately identified, these funds may collectively be referred to as the “Funds.”

The WVP Fund and WVP Private Fund are both Delaware multiple series LLCs. Many series of the WVP Fund and the WVP Private Fund (each a “Series”) have one or multiple third-party sub-advisors (each such sub-advisor, an “Underlying Manager”) who trade the assets on behalf of the WVP Fund or the WVP Private Fund. WVP selects the Underlying Managers and performs due diligence on them prior to bringing them onto the platform. In addition, WVP provides operational and risk oversight over these Underlying Managers and provides marketing and investor relations services.

The Antwerp Fund is a Delaware LLC that makes direct investments into the WVP Fund, the WVP Private Fund, and third-party funds. All investors in the Antwerp Fund belong to a single family, and WVP has non-discretionary investment authority over the Antwerp Fund. The Antwerp Fund allocations are determined in conjunction with the investor/member representatives, and WVP performs due diligence on third-party funds.

The AL IDF Fund is a Delaware limited partnership that invests primarily in alternative fixed income investment funds. The fund may invest in one or more Series of the WVP Fund or the WVP Private Fund. The limited partnership interests are offered only to insurance companies.

Insurance Fund I is a series of a Delaware series limited partnership managed by SALI Fund

Management, LLC. Insurance Fund I may invest its assets with one or more Series of the WVP Fund or WVP Private Fund or with investment managers unaffiliated with WVP. The limited partnership interests are offered only to insurance companies.

WVP also acts as an investment advisor to four separately managed accounts (the “Managed Accounts”).

The WVP Fund’s investment objective is to allocate capital to emerging hedge fund managers in order to provide superior risk-adjusted returns while maintaining low correlation to the major equity indices. To achieve this, the assets of most Series are invested by WVP in a managed account managed by an Underlying Manager. Each Underlying Manager that is managing a managed account for a Series must have entered into an investment management agreement requiring adherence to investment guidelines and other policies. The managing member of the WVP Fund (and of the WVP Private Fund) (the “Managing Member”) and WVP negotiate the managed account agreements with prospective Underlying Managers on behalf of the relevant Series.

The WVP Private Fund’s investment objective is to provide superior risk-adjusted returns while maintaining low-correlation to the major equity indices. To achieve this, the Series of the WVP Private Fund invest in investment funds and managed accounts (each an “Investment Vehicle”), special purpose vehicles, and other vehicles managed by Underlying Managers as well as in Series or other assets managed by WVP. The WVP Private Fund’s investment objective is currently to allocate capital primarily to a variety of alternative lending strategies. Each Underlying Manager that is managing assets for a Series of WVP Private Fund must have entered into a managed account agreement pursuant to which the Series retains the services of such Underlying Manager to manage the Series’ assets requiring adherence to the investment guidelines and other policies. The Managing Member and WVP negotiate the managed account agreement on behalf of the relevant Series.

Investors in the WVP Fund and the WVP Private Fund are non-managing members. Each non-managing member in each Series must be (i) an “accredited investor” within the meaning of Regulation D under the Securities Act, (ii) a “qualified client” within the meaning of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and (iii) a “qualified purchaser” as defined in the Investment Company Act of 1940 (the “Company Act”), and will be required to meet other suitability requirements as set forth in the subscription documents.

**This document is neither an offer to sell nor a solicitation of an offer to buy interests in or shares of the Funds.** Such an investment may be made only after receipt and review of a Fund’s confidential private placement memorandum (a “Memorandum”). Upon request to WVP, a copy of a Memorandum may be made available to persons meeting the definitions of accredited investor, qualified client, and qualified purchaser. The Memoranda contain important information concerning risk factors and other material aspects of the Funds and must be read carefully before any decision whether to invest is made. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in the Memorandum.

## **TAILORED RELATIONSHIPS**

WVP has the ability to create custom investment solutions for investors depending on their risk/reward appetite. Investors can select from a WVP Fund Series, a WVP Private Fund Series, and third-party funds to create a specific market exposure. WVP may be able to provide operational and risk support for these investments.

## **WRAP FEE PROGRAMS**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. WVP does not participate in and is not a sponsor of any wrap fee program.

## **ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an Investment Adviser must include the value of any client account over which it exercises continuous and regular supervisory or management services. As of December 31, 2020, WVP has regulatory assets under management of \$585,391,875 on a discretionary basis and \$1,576,303 on a non-discretionary basis.

### **Item 5 Fees and Compensation**

#### **ADVISORY FEES AND BILLING PROCEDURES**

With respect to most Series of the WVP Fund or the WVP Private Fund that invest with an Underlying Manager, WVP will be paid an asset-based management fee by such Series as set forth in the Supplement to the Memorandum for that Series (each a “Supplement”). WVP will generally pay a portion of such asset-based management fee to the Underlying Manager pursuant to the managed account agreement or other services agreement entered into between the Underlying Manager and WVP.

To the extent that any of the Funds or Series invests in a Series, generally the management fee will be paid at one level only.

The fees charged by the Funds, Series and Managed Accounts are detailed below:

#### **WVP Emerging Manager Onshore Fund, LLC – AIGH Series**

- 1.5% management fee
- 20% performance allocation

WVP Emerging Manager Onshore Fund, LLC – Clearance Series

- 2% management fee
- 20% performance allocation

WVP Emerging Manager Onshore Fund, LLC – Cobia Series

- 1.5% management fee
- 20% performance allocation

WVP Emerging Manager Onshore Fund, LLC – DLD Series

- 1.5% management fee
- 20% performance allocation

WVP Emerging Manager Onshore Fund, LLC – DLD ECM Series

- 0% management fee
- 50% performance allocation

WVP Emerging Manager Onshore Fund, LLC – Incubation Series

- 2% management fee
- 20% performance allocation

WVP Emerging Manager Onshore Fund, LLC – Optimized Equity Series

- 1.5% management fee.
- 20% performance allocation attributable to AIGH strategy. 50% performance allocation attributable to DLD ECM strategy.

WVP Emerging Manager Onshore Fund, LLC – Prolific Series

- 1.8% management fee
- 18% performance allocation

WVP Emerging Private Manager Fund, LLC – Alternative Lending Aggregate Series

- 2% management fee
- 20% performance allocation after 5% preferred return

WVP Emerging Private Manager Fund, LLC – Crowd Out Series

- 1% management fee
- 20% carried interest

WVP Emerging Private Manager Fund, LLC – JGB Series

- 1% management fee
- 20% carried interest

WVP Emerging Private Manager Fund, LLC – NPL Series

- 1.5% management fee
- 20% carried interest after 5% preferred return

WVP Emerging Private Manager Fund, LLC – Sapir Venture Partners II Series

- management fee on committed capital
  - 2.5% for years 1-3
  - 2% for years 4-6
  - 1.5% for years 7-10
  - 1.2% thereafter
- 20% carried interest after return of capital

Antwerp Partners LLC

- 0.50% management fee

WVP AL IDF LP

- 0.50% management fee

WVP Insurance Fund I Series of The SALI Multi-Series Fund IV, L.P.

- 0.50% management fee

Managed Accounts

- Generally, 0.75% or less management fee

**OTHER FEES AND EXPENSES**

The WVP Fund, the WVP Private Fund, and each Series will be responsible for all ongoing costs and expenses associated with its administration and operations. The Managing Member and/or WVP shall be reimbursed for the expenses that it bears on a Fund's or Series' behalf. Fees and expenses allocable to more than one Series shall be allocated among those Series in an equitable manner as determined by the Managing Member in its sole discretion.

**TERMINATION AND REFUND POLICY**

The WVP Fund's and the WVP Private Fund's Investment Management Agreements are automatically renewed for successive one-year periods, subject to termination (i) by any party in the event of the other party's willful default or fraudulent conduct in connection with the performance of such Agreement or (ii) by either party at any time upon not less than ninety (90) days' prior written notice to the other party.

In the event of termination of a member's interest in the WVP Fund or the WVP Private Fund, fees will be assessed in accordance with the relevant Fund's Operating Agreement.

**OTHER COMPENSATION**

WVP is generally compensated in the form of management fees. WVP's affiliate, the Managing Member, is generally compensated in the form of performance fees, performance allocations, or carried interest. WVP may also receive compensation through consulting, revenue share, or



other arrangements.

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

Performance-based fees are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means that WVP participates directly in the account's results.

WVP does not receive performance-based fees, although its related party, the Managing Member, may receive performance-based fees from the WVP Fund or the WVP Private Fund as an incentive allocation as follows:

- With respect to any Series that invests with an Underlying Manager, the Managing Member and the Underlying Manager may be allocated incentive allocations by the Series as set forth in the Supplement and pursuant to the managed account agreement or other services agreement between the Underlying Manager and the Managing Member.
- The incentive allocations made to the Managing Member and its designees (and the Underlying Manager) may create an incentive to make Fund investments that are riskier or more speculative than would be the case in the absence of such performance-based profit allocation arrangements.

## **Item 7 Types of Clients**

WVP has four advisory clients other than the Funds.

The minimum initial capital contribution for the Funds is \$1,000,000.00, except for Insurance Fund I and for the Sapir Venture Partners II Series of the WVP Private Fund, which are \$500,000. WVP reserves the right to reduce the minimum initial capital contribution and to accept subscriptions for lesser amounts.

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

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

As noted in Item 4, the investment objective of the WVP Fund is to allocate capital to emerging hedge fund managers in order to provide superior risk-adjusted returns while maintaining low-correlation to the major equity indices. The WVP Private Fund's investment objective is to allocate capital primarily to a variety of alternative lending and other less liquid strategies, which may include investing in special purpose and other vehicles, to provide superior risk-adjusted returns while maintaining low-correlation to the major equity indices. To achieve this investment objective, the assets of many of the Funds' Series are invested by WVP in Investment Vehicles managed by Underlying Managers according to a particular investment strategy as set forth in the relevant Supplement.

The strategies employed by the Underlying Managers are diverse, and an Underlying

Manager might not be domiciled or make investments domestically.

Certain trading styles and strategies that may be employed by the Underlying Managers are summarized as follows:

- *Relative Value Strategies.* Relative value strategies seek to profit from the mispricing of financial instruments, capturing spreads between related securities that deviate from their fair value or historical norms. Directional and market exposure is generally held to a minimum or completely hedged. Strategies that may be utilized in the relative value sector include statistical arbitrage and volatility arbitrage. Statistical arbitrage strategies involve taking advantage of historical price relationships between securities. The price relationships are generally simulated with statistical or other mathematical models constructed using historical data. Positions are entered into when the models indicate that there is an opportunity to profit from anticipated price movements. Volatility arbitrage strategies involves selling short term domestic and/or global exchange traded call and put options to profit from option premium decay and volatility mean-reverting tendencies.
- *Convertible Bond Arbitrage Strategies.* Convertible bond arbitrage strategies involve purchasing a portfolio of convertible securities, generally convertible bonds, and hedging a portion of the equity risk by selling short the underlying common stock.
- *Fixed Income Arbitrage Strategies.* Fixed income arbitrage strategies seek to profit by exploiting pricing inefficiencies between related fixed income securities while neutralizing exposure to interest rate risk. The typical types of fixed income hedging trades include yield-curve arbitrage, corporate versus Treasury yield spreads, municipal bond versus Treasury yield spreads and cash versus future spreads.
- *Mortgage-Backed Securities Arbitrage Strategies.* Mortgage-backed securities arbitrage strategies involve investment in mortgage-backed securities. Instruments include government agency, government-sponsored enterprise, private-label fixed- or adjustable-rate mortgage pass-through securities, fixed- or adjustable-rate collateralized mortgage obligations ("CMOs"), real estate mortgage investment conduits ("REMICs") and stripped mortgage-backed securities ("SMBs"). Underlying Managers may look to capitalize on security-specific mispricing. Hedging of prepayment risk and interest rate risk is common. Leverage may be used as well as futures, short sales and options.
- *Market Neutral Equity.* Market neutral strategies try to avoid market directional influences and seek to generate returns primarily from stock selection. Underlying Managers construct long and short baskets of equity securities they determine to be mispriced relative to each other, typically with similar characteristics. Series are generally designed to exhibit zero or low beta to equity markets. Beta measures the degree to which an asset's price changes when a reference asset's price changes. For example, a beta greater than one suggests that for every 1% change in the reference asset's price the asset will move greater than 1%.

- *Equity Long/Short.* Equity long/short strategies typically consist of a core holding of long equities hedged with short sales of equities or stock index options, often based on the Underlying Manager's assessment of fundamental value compared to market price. It is expected that the Underlying Managers will employ a wide range of styles. For example, an Underlying Manager may (i) focus on companies within specific industries; (ii) focus on companies only in certain countries or regions; or (iii) employ a more diversified approach, allocating assets to opportunities across investing styles, industry sectors and geographic regions.
- *Event Driven Strategies.* Event driven strategies seek to identify security price changes resulting from corporate events such as restructurings, mergers, takeovers, spin-offs and other special situations. Corporate event arbitrageurs generally choose their investments based on their perceptions of the likelihood that the event or transaction will occur, the amount of time that the process will take and the perceived ratio of return to risk. Special situations such as spin-offs and corporate reorganizations and restructurings offer additional opportunities for event driven investment managers. Often these strategies are employed alongside merger arbitrage or distressed investing. An Underlying Manager's ability to evaluate the effect of the impact and timing of the event and to take on the associated event risk is the source of the returns. Underlying Managers differ in the degree to which they hedge the equity market risk of their portfolios.
- *Merger Arbitrage.* Merger arbitrageurs seek to capture the price spread between current market prices and the value of securities upon successful completion of a takeover or merger transaction. The availability of spreads reflects the unwillingness of other market participants to take on transaction-based risk, i.e., the risk that the transaction will not be completed and the price of the company being acquired will fall. Merger arbitrageurs evaluate this risk and seek to create portfolios that reduce specific event risk.
- *Distressed Securities/High Yield.* High yield/distressed securities strategies invest in debt or equity securities of firms in or near bankruptcy. Underlying Managers differ in terms of the level of the capital structure in which they invest, the stage of the restructuring process at which they invest, and the degree to which they become actively involved in negotiating the terms of the restructuring.
- *Global Macro Strategies.* Global macro strategies specialize in taking positions that profit from global macroeconomic trends. The instruments often include currency and interest rate derivatives and are generally highly leveraged and very directional. Global macro strategies generally utilize analysis of macroeconomic and financial conditions to develop views on country, regional or broader economic themes. An Underlying Manager utilizing these strategies may invest in futures contracts, forward contracts, physical commodities, options on futures and on physical commodities and other derivative contracts on foreign currencies, financial instruments, stock indexes and other financial market indexes, metals, grains and agricultural products,

petroleum and petroleum products, livestock and meats, oil seeds, tropical products and softs (such as sugar, cocoa, coffee and cotton). An Underlying Manager may also engage in the speculative trading of securities, including, but not limited to, equity and debt securities (including high yield securities and emerging market securities), and other securities. Those Underlying Managers that trade securities may do so on a cash basis or using options or other derivative instruments. Certain Underlying Managers may utilize other investment media, such as swaps and other similar instruments. Underlying Managers will generally trade on behalf of the Investment Vehicles on commodities and securities exchanges worldwide as well as in the interbank foreign currency forward market and various other over-the-counter markets.

- *Commodity Trading Strategies.* Commodity trading strategies involve the buying and selling of futures and/or futures options in global interest rates, currencies, stock indices, commodities and other instruments to profit from trends and other non-random market movements. Managed futures strategies involve trading in futures and currencies globally, generally using systematic or discretionary approaches based on identified trends. In formulating these strategies, Underlying Managers generally use quantitative models or discretionary inputs to speculate on the direction of individual markets or subsectors of markets.
- *Emerging Markets.* Emerging markets strategies take long and short positions in all types of securities in order to take advantage of inefficiencies that arise in emerging economies and developing securities markets. These strategies often require specialized knowledge of local markets, and the investment managers often use their networks of contacts to gain an information advantage.
- *Short Selling Strategies.* Short selling strategies involve the sale of a security not owned by the seller; a technique used to take advantage of an anticipated price decline. To effect a short sale, the seller borrows securities from a third party in order to make delivery to the purchaser. The seller returns the borrowed securities to the lender by purchasing the securities in the open market. If the seller can buy that stock back at a lower price, a profit results. If the price rises, however, a loss results. A short seller must generally pledge other securities or cash with the lender in an amount equal to the market price of the borrowed securities. This deposit may be increased or decreased in response to changes in the market price of the borrowed securities.
- *Alternative Lending.* Alternative lending involves underwriting loans to borrowers who are not well served by standard lending institutions. Alternative lending Underlying Managers may vary with respect to the type of assets they seek as security and with respect to other characteristics required of borrowers. An alternative lending strategy might, for example, focus on making senior secured loans to small and mid-sized companies or on making investments in non-performing residential mortgages.
- *Illiquid Investments.* The assets of a Fund Series may be invested in illiquid investments including loans, loan participations, and equity and debt securities of

private companies. Additionally, certain investments held by an Investment Vehicle, while not illiquid at the time of acquisition, may become illiquid after they are purchased.

- *Venture Capital.* Venture capital investing involves purchasing equity, convertible securities, or rights issued by early-stage companies that are believed to have the potential for significant growth.

The list above is not intended to be an exhaustive list, and WVP retains full discretion with respect to the types of strategies employed. There can be no assurance that the trading strategies employed will be successful.

### **MATERIAL RISKS OF LOSS**

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. Because risks are inherent in all the investments in which the Funds engage, no assurances can be given that their investment objectives will be realized.

There can be no assurance that the Funds will achieve their investment objectives or avoid substantial losses. An investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by the firm, the assets managed are subject to risk of devaluation or loss. An investor should not make an investment in any of the Funds with the expectation of sheltering income or receiving cash distributions.

WVP believes that substantial returns can be achieved by investing in the Funds; however, such investment involves a high degree of risk. Because risks are inherent in all the investments in which the Funds engage, no assurances can be given that the Funds' investment objectives will be realized. WVP urges investors to review carefully the risk factors set forth in the Funds' Memorandums and Supplements. The Memorandums and Supplements contain important information concerning risk factors and other material aspects of the Funds and must be read carefully before any decision whether to invest is made. The risk factors set forth in the Memorandums and Supplements are those deemed by WVP to be the most significant.

As noted, some assets will be allocated among a select group of unaffiliated Underlying Managers. Although WVP will seek to select only Underlying Managers who will invest the assets with the highest level of integrity, WVP will have no control over the day-to-day operations of any of its selected Underlying Managers. WVP will perform manager and operational due diligence on all Underlying Managers. Nonetheless, WVP would not necessarily be aware of certain activities at the Underlying Manager level, including without limitation the Underlying Manager's engagement in unreported risks, investment "style drift" or even fraud. As a result, there can be no assurance that Underlying Managers will conduct themselves in a manner that is consistent with WVP's expectations.

The Funds' success depends on WVP's strategies and the ability to implement its investment strategies. Any factor that would make it more difficult to execute more timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Funds will be successful under all or any market conditions.

An investment in the Funds should form only a part of a complete investment program, and an investor must be able to bear the loss of his or her entire investment. There can be no assurance that the Funds will achieve their investment objectives or avoid substantial losses. Prospective investors are urged to consult with their own financial, tax and legal advisors before investing. Please read the Risk Disclosures section in each Fund's Memorandum carefully. WVP wants a potential investor to understand that there are inherent risks associated with investing in the Funds. Investors should be aware that all or a substantial amount of one's investment could be lost.

### **RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES**

WVP makes recommendations related to the Funds, which are designed for investors who have the knowledge and experience in financial matters to evaluate the merits and risks of such investments. Investments made by the Funds may include, but are not limited to, equity securities, debt and other income securities, high-yield securities, exchange traded funds, loans, equity or debt of private companies, derivative instruments including options transactions, and emerging markets securities.

### **Item 9        Disciplinary Information**

WVP is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of WVP's advisory business or the integrity of WVP's management. Neither WVP, nor its management, nor related persons have been involved in legal or disciplinary events related to past or present investment clients.

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

WVP is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of WVP's management or supervised persons is registered as a representative of, or has an application pending to register as a representative of, a broker-dealer.

WVP is not registered as, and does not have pending applications to register as, a Futures Commission Merchant. However, WVP is registered as a commodity pool operator with the Commodity Futures Trading Commission ("CFTC"). It is a member of the National Futures Association ("NFA") and relies on an exemption from registration as a commodity trading advisor.

As previously discussed, WVP Management, LLC is the managing member of the WVP Fund and the WVP Private Fund. The Managing Member shall serve as the "partnership

representative” of each Series. The Managing Member is affiliated with WVP as both entities are under common control. The principal owners of WVP also serve as the principal owners of the Managing Member.

WVP will recommend and select unaffiliated investment advisers who will act as Underlying Managers for the Funds. Whenever another investment adviser is selected to manage all or a portion of the Funds’ assets, investors need to know that the outside investment adviser will be paid a portion of the fees that are charged, and WVP also will receive a portion of the fees that clients are charged.

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

### **DESCRIPTION OF CODE OF ETHICS**

All employees of WVP must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, WVP has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by WVP personnel. WVP’s Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. WVP will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

WVP solicits potential investors to purchase interests in the Funds and the Series. WVP earns a management fee, and its related party (the Managing Member) may earn a performance-based incentive fee. WVP and its affiliates (including the principals, officers and employees of WVP) may make investments in one or more of the Funds. Fund interests held by WVP and its affiliates will not be subject to the management fee but will share pro rata in all other expenses and liabilities of the Fund. WVP and its employee(s)/related persons have a fiduciary duty to place the interests of its clients ahead of WVP’s own interests. WVP will provide written notification to clients advising of such conflicts of interest.

### **PROPRIETARY/SIMULTANEOUS TRADING**

At times, WVP and/or its supervised persons may buy or sell securities for their own accounts that WVP has also recommended to its clients, which are the Funds. This presents a conflict of interest. It is the policy of WVP that supervised persons must avoid security transactions and activities for his or her own accounts that might conflict with or be detrimental to the interest of the client. To the extent supervised persons are aware of trades in individual issues being considered, recommended, or traded for the client account, the supervised persons will make every effort to trade in their own accounts after trades are executed for the client. To mitigate or remedy any conflicts of interest, or perceived conflicts of interest,

we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics which includes procedures for pre-clearing certain transactions and the use of blackout windows. WVP will always document any transactions that present conflicts of interest. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our client before transacting for our own benefit.

## **Item 12 Brokerage Practices**

### **SELECTION AND RECOMMENDATION**

The WVP Fund, on behalf of one or more Series, intends to enter into prime brokerage arrangements with multiple prime brokers as set forth in the relevant Supplement (each, a “Prime Broker” and collectively the “Prime Brokers”). Generally, The WVP Fund will require portfolio transactions for the managed accounts to be cleared through brokerage accounts maintained at a Prime Broker. However, Underlying Managers to managed accounts may have the right to trade away from the Prime Brokers. The Prime Brokers will also serve as custodians for the Series. The Managing Member and/or WVP can replace each of the Prime Brokers, or retain additional prime brokers, at any time without the consent of the non-managing members.

An Underlying Manager of an investment fund will typically choose the broker to be used for the securities transactions for the strategy.

It is not expected that WVP will have discretion regarding the selection of brokers for the WVP Fund and the amount of brokerage commissions and fees paid to such brokers. Should it have such discretion, this determination will be based upon four factors: (1) where the best execution (price) is likely to be obtained; (2) a brokerage firm's research and investment ideas that directly impact the WVP Fund's portfolio; (3) a firm's ability to properly execute any orders (based on the size of the trade and its complexity to execute); and (4) the operational aspects of brokerage firms' back office (will the WVP Funds receive payment of securities on a timely basis) and custodian or other administrative services. “Best execution” is not synonymous with lowest brokerage commission. Consequently, WVP may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction for other investment funds similar to the WVP Fund. However, WVP has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

### **SOFT DOLLARS**

WVP does not typically have the right to choose the broker or dealer through which each purchase or sale of securities for an Investment Vehicle is made. WVP attempts to select Underlying Managers which it believes will use their best efforts to obtain execution of portfolio transactions at prices which are advantageous to the applicable investment vehicles and at commission rates which are reasonable in relation to the benefits received, although it is not required to do so. WVP expects that Underlying Managers also look at factors such as



price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility, and brokerage or research services ("soft dollar items") provided by such brokers.

Section 28(e) of the United States Securities Exchange Act of 1934, as amended, establishes a safe harbor (the "Section 28(e) safe harbor" or "safe harbor") allowing investment managers to use client funds, by way of commission dollars, to purchase certain "brokerage and research services." Pursuant to such safe harbor, the brokerage and research services must provide lawful and appropriate assistance to the investment manager in the performance of its investment decision-making responsibilities. Further, the amount of commissions paid by the Investment Vehicle must be reasonable in light of the value of the brokerage or research services offered, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. Accordingly, if an Underlying Manager determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage or research services provided by such broker, the Investment Vehicle may pay commissions to such broker in an amount greater than the amount another broker might charge.

Soft dollar items within the safe harbor, whether provided directly or indirectly, as well as soft dollar items that fall outside of the Section 28(e) safe harbor, may be utilized for the benefit of the Underlying Managers. Underlying Managers may expect to use soft dollars to acquire soft dollar items that they would otherwise be obligated to provide to, or acquire at their own expense for, their investment vehicles. Some soft dollar arrangements of the Underlying Managers may be outside of the parameters of Section 28(e) of the Exchange Act. The commission rates charged by the brokers in the foregoing circumstances may be higher than those charged by other brokers who may not offer such services.

Investors should be aware that WVP may not be able to monitor whether or not certain soft dollar items received by the Underlying Managers are outside the safe harbor of Section 28(e) of the Exchange Act.

WVP does not generate "soft dollars" with respect to the Funds' trades.

### **BROKERAGE FOR CLIENT REFERRALS**

WVP does not receive client referrals from third parties for recommending the use of specific broker-dealer's services.

### **DIRECTED BROKERAGE**

WVP investment advisory services involve managing pooled investment vehicles. When a client directs brokerage, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Due to the structure of pooled investment vehicles, directed brokerage arrangements by clients are neither applicable to, nor affect the investment management policies of, WVP.

## **ORDER AGGREGATION**

At this time, WVP does not aggregate orders.

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

WVP reviews the WVP Fund's and the WVP Private Fund's investment strategies, including current portfolio holdings, on a continual basis. WVP reviews the investment programs of the other Funds to analyze rates of return and allocation of assets as well as to verify that the portfolio strategies are consistent with the Funds' investment objectives. WVP also performs continuing due diligence on the Underlying Managers.

The Managing Member intends to provide periodic investment reports to non-managing members, including an annual audited financial statement prepared in accordance with GAAP and a Form K-1.

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

WVP does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

WVP has in the past entered into written agreements with third parties who solicit potential investors on behalf of the Funds. WVP will continue to comply with all applicable securities requirements including Rule 206(4)-3 under the Advisers Act. Typically, a portion of the management fees may be remitted to a solicitor introducing potential investors to the Funds, or WVP may use its own resources to compensate third parties for such introductions. Investors will not be responsible for any part of the compensation paid to the solicitors.

### **Item 15      Custody**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

WVP has custody of the portfolio assets of WVP Fund, WVP Private Fund, and AL IDF Fund because it has the ability to deduct advisory fees payable to them and it has a general power of attorney over them. WVP does not have physical custody of any client funds or securities. The physical assets are held at the qualified custodian selected by WVP or at the Underlying Manager's qualified custodian.

The administrators for WVP Fund, WVP Private Fund, and AL IDF Fund deliver transaction reports to WVP. Please be advised that WVP is not required to provide information about specific investment transactions of the Funds to the non-managing members. Additionally, WVP Fund, WVP Private Fund, and AL IDF Fund are subject to an annual audit by an accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements are distributed to

non-managing members at the end of the Funds' fiscal year.

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

WVP is not limited in its authority (except with respect to the Antwerp Fund) to allocate the Funds' assets among Underlying Managers. WVP has full discretion and authority to make all investment decisions with respect to the Underlying Manager allocations of WVP Fund, WVP Private Fund, and AL IDF Fund. WVP has full discretion and authority to make all investment decisions with respect to the types of securities to be bought or sold or the amount of securities to be bought or sold for those funds. An Underlying Manager will be granted discretionary trading authority to provide investment supervisory services for that portion of the Funds' portfolios allocated to that particular Underlying Manager. WVP at all times retains the authority to terminate the relationship with an Underlying Manager in accordance with the terms of the managed account agreement or to add a new Underlying Manager.

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

Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the client's investment. Proxy voting decisions must be made solely in the best interests of the client's account. In voting proxies, WVP is required to consider those factors that may affect the value of the client's investment and may not subordinate the interests of the client to unrelated objectives.

The Underlying Managers will generally exercise all rights, powers and privileges to vote, give assent, execute, and deliver proxies. Clients may obtain a copy of historical voting upon request.

Should a material conflict arise between WVP's interest and that of WVP's clients, WVP will vote the proxies in accordance with our fiduciary duty to our clients. A written record will be maintained describing the conflict of interest, and an explanation of how the vote taken was in the client's best interest. WVP may refrain from voting a proxy if the cost of voting the proxy exceeds the expected benefit to the client.

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

##### **BALANCE SHEET REQUIREMENT**

A balance sheet is not required to be provided because WVP does not serve as qualified custodian for client's funds or securities and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

##### **FINANCIAL CONDITION**

WVP does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

### **BANKRUPTCY PETITION FILINGS**

WVP has not been the subject of a bankruptcy petition at any time during the last 10 years.