

Wainwright Investment Counsel, LLC

Part 2A of Form ADV

Brochure

March 30, 2022

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This firm brochure (this “Brochure”) provides information about the qualifications and business practices of Wainwright Investment Counsel, LLC (hereinafter, “Wainwright,” or the “Firm” or “our” or “us”). If you have any questions about the contents of this Brochure, please contact Wainwright at 617-531-3100 or [Compliance@winvcounsel.com](mailto:Compliance@winvcounsel.com). The information in this Brochure has not been approved nor verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. An investment adviser’s registration with the SEC does not imply a certain level of skill or training. Wainwright’s Chief Compliance Officer is Margaret L. Leonard.

Additional information about Wainwright is also available on the SEC’s website at <https://adviserinfo.sec.gov/firm/summary/108711>.

## **Item 2 – Material Changes**

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The following information provides clients with a summary of material changes since the last annual update of Wainwright's Form ADV Part 2A ("Brochure") updated March 30, 2021. This Brochure describes the current range of services that Wainwright provides to clients and to update applicable disclosures.

Wainwright will provide you with a complete Brochure as necessary based on changes or new information, at any time, without charge. A copy of Wainwright's Brochure may be requested by contacting [Compliance@winvcounsel.com](mailto:Compliance@winvcounsel.com), or by calling Wainwright at 617-531-3100.

Additional information about Wainwright is also available via the SEC's website <https://adviserinfo.sec.gov/firm/summary/108711>. The SEC's website also provides information about any persons affiliated with the firm who are registered, or are required to be registered, as investment adviser representatives. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

### **Item 4.6: Sub-Advisory Investment Management Services**

Wainwright provides Discretionary and Non-Discretionary Sub-Advisory Investment Management Services whereby Wainwright provides one or more models to the Client who in turn offers the Strategy to its Client Sub-Accounts based on their investment objectives, needs, circumstances and risk tolerance. Additional information about these services is provided below.

### **Item 3 – Table of Contents**

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Item 2 – Material Changes .....	i
Item 3 – Table of Contents .....	ii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation .....	9
Item 6 – Performance-Based Fees and Side-By-Side Management.....	14
Item 7 – Types of Clients .....	16
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	16
Item 9 – Disciplinary Information.....	24
Item 10 – Other Financial Industry Activities and Affiliations.....	25
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	25
Item 12 – Brokerage Practices.....	28
Item 13 – Review of Accounts .....	31
Item 14 – Client Referrals and Other Compensation .....	32
Item 15 – Custody .....	34
Item 16 – Investment Discretion .....	36
Item 17 – Voting Client Securities .....	37
Item 18 – Financial Information.....	38

## **Item 4 – Advisory Business**

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Wainwright is an investment adviser registered with the SEC with its principal place of business located in Boston, Massachusetts. Wainwright has been providing investment advice since 1999. The Firm is privately held and majority employee owned and no one member owns or has contributed more than 25% of the capital of the Firm.

Wainwright provides a broad range of investment advisory and consulting services to its clients. Below is a summary of the services that Wainwright offers to clients.

Wainwright provides discretionary and non-discretionary investment advice to U.S.: individuals; high net worth individuals; family offices; endowments; trusts; estates; foundations; corporations and other business entities; pooled investment vehicles including hedge funds and other investment partnerships; charitable and tax-exempt institutions; pension, profit-sharing, 401(k) and other plans that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”); employee benefit plans; and state and municipal governmental pension and post-employment benefit plans. Wainwright additionally provides discretionary and non-discretionary investment advice and sub-advisory services to non-U.S. foundations, corporations and banks. Wainwright has provided investment advice to pooled investment vehicles in the past and may provide advice to such clients in the future.

Wainwright has clients domiciled both within and outside of the United States.

### **4.1. Investment Policy Statement Preparation**

At the inception of each Advisory Consulting or Discretionary Management Services relationship, Wainwright will review and discuss each client's prior investment history, as well as other relevant information, background and circumstances. The results are used to develop a customized investment policy statement (“IPS”) or investment strategy framework that reflects the client’s stated investment objective, tolerance for risk, investment time horizon, liquidity needs, tax considerations, legal and regulatory considerations, and any unique circumstances that may apply (*e.g.*, investment restrictions). Additionally, any parameters or restrictions for the management of the account will be established. The IPS or investment strategy framework sets forth criteria for target asset allocation, selection of managers, securities and investment vehicles as well as the procedures and timing interval for monitoring investment performance. See also *Item 13 – Review of Accounts*.

## 4.2. Types of Investments

Wainwright's investment advice and recommendations are not limited to any specific product or service offered by a particular company or financial institution and will generally include advice for the following types of securities and instruments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Municipal securities
- United States governmental securities
- Options contracts on securities
- Futures contracts on intangibles
- Interests in partnerships investing in real estate and other assets<sup>1</sup>
- Interests in partnerships investing in private equity<sup>1</sup>
- Interests in partnerships, hedge funds or hedge funds-of-funds<sup>1</sup>
- Investment company securities (mutual funds)

At the client's request, alternative investments may be recommended, which could include, but not be limited to: hedge funds and funds-of-funds; private equity funds and funds-of-funds; venture capital funds and funds-of-funds; private real estate funds and funds-of-funds; or separately managed accounts.

Investing in securities involves the potential for a risk of loss that clients should be prepared to bear. Because some types of investments involve certain additional degrees of risk, they will only be recommended or implemented consistent with the client's investment objectives, risk tolerance, liquidity, and other constraints.

Based on client circumstances and preferences, reasonable restrictions or constraints for investing in certain types of securities, instruments, types of securities or industry sectors may be applied. These restrictions will be considered when making investment recommendations to the client. Any investment guidelines or restrictions must be agreed to by the client and Wainwright.

## 4.3. Types of Investment Vehicles

Clients obtain exposure to a particular investment manager through a broad range of investment vehicles and instruments including, but not limited to, hedge funds and funds-of-funds; private equity funds and funds-of-funds; venture capital funds and funds-of-funds; private real estate funds and funds-of-funds; separately managed accounts; and mutual funds or exchange traded funds ("ETFs"). To the extent that it is consistent with the Advisory Consulting Services client's IPS or investment strategy framework, Wainwright may recommend that a client invest in one or more of the types of securities and investment vehicles listed in Item 4.2 above.

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<sup>1</sup> Interests in partnerships investing in private funds are not generally available for client accounts managed on a discretionary basis.

#### **4.4. Advisory Consulting Services to Pension Plans and Other Clients**

Wainwright provides Advisory Consulting Services on a non-discretionary basis whereby the client retains the ultimate authority to decide whether to accept the investment recommendation. A non-discretionary account requires prior authorization or instruction from the client to effect each transaction; however, Wainwright typically plays a key role in communicating the client's instructions to the relevant custodians, administrators and managers to communicate the client's instructions, to arrange, effect or otherwise facilitate the purchase or sale of the recommended investments, including subscriptions in private funds and the allocation of separately managed account assets among managers, and to ensure that each client's investment decisions are appropriately implemented.

Wainwright's Advisory Consulting Services are customized to the requirements of each client, and the scope and duration of the services provided to a particular client is implemented through a written Advisory Consulting Services agreement between the client and the Firm. Wainwright and the client may mutually agree to change the scope of the services at any time. In very limited circumstances, Wainwright may also provide assistance in obtaining valuations with regard to assets that are not freely transferable and Wainwright shall fully disclose any such valuations within the client report containing such valuations.

Advisory Consulting Services clients may provide Wainwright information imposing reasonable restrictions or constraints such as for limitations for investing in certain securities, instruments, types of securities or industry sectors. These restrictions will be considered when making investment recommendations to the Advisory Consulting Services client. Any investment guidelines and restrictions must be agreed to by the client and Wainwright.

Unless by mutual agreement and understanding, an Advisory Consulting Services portfolio will not be advised for tax risk tolerance considerations.

##### **4.4.1. Asset Allocation Strategy**

Wainwright assists its clients in developing an overall asset allocation strategy that is consistent with the client's stated goals and objectives and determined based on the client's particular circumstances. If appropriate, this asset allocation strategy is incorporated within the client's IPS or investment strategy framework. The Firm will monitor the asset allocation strategy on an ongoing basis, or as otherwise specified by the client, and will make periodic recommendations that the assets be reallocated or rebalanced based on various considerations such as market factors and the client's financial circumstances.

#### 4.4.2. Manager Selection and Evaluation

Wainwright performs searches to identify and evaluate investment managers whose portfolio management styles are appropriate for a particular client based on that client's investment objectives, risk tolerance and asset allocation strategy. Once the Firm has recommended an investment manager, and the Advisory Consulting Services client has accepted that recommendation, Wainwright will monitor, on an ongoing basis, each of those selected investment managers.

If Wainwright determines that a selected manager is not providing sufficient, adequate or appropriate investment management services to Wainwright's Advisory Consulting Services client, Wainwright will recommend that the client consider limiting or terminating the investment manager's services. If a manager or investment is terminated, Wainwright may recommend another investment manager using the same manager selection and evaluation process as outlined above or Wainwright may recommend that no replacement manager be added to the portfolio.

Advisory Consulting Services clients are responsible for making the ultimate decision whether to select, hire or terminate a particular manager or to invest in a particular investment recommended by Wainwright. For a full description of the services offered by a particular manager and full and fair disclosures of the recommended manager's conflicts of interest, clients should refer to each recommended manager's Form ADV, due diligence questionnaire, prospectus or offering documents, as applicable<sup>2</sup>.

Wainwright's Research and Due Diligence Committee ("RDC") has overall responsibility for coordinating and centralizing the initial and ongoing manager due diligence and research activities related to Wainwright's Advisory Consulting Services.

Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see Item 4.7) or any fund with which it, or WFS, LLC, Wainwright's has a wholly-owned broker-dealer subsidiary, has a private placement arrangement.

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<sup>2</sup> Offering documents include, but are not limited to, a prospectus or confidential private placement offering memorandum, subscription agreement, limited partnership or shareholder agreement (collectively, "offering documents").

#### 4.5. Discretionary Management Services

In a Discretionary Management Services arrangement, Wainwright will have investment discretion over the purchase and sale of securities and other instruments in the client's Discretionary Management Services account. For each Discretionary Management Services account Wainwright will determine which securities to buy or sell<sup>3</sup>, the number of shares to be bought or sold and the timing of the transaction. Each Discretionary Management Services client agrees to grant Wainwright discretionary trading authority by way of its written Discretionary Management Services agreement which includes, but is not limited to, a description of the terms of Wainwright's Discretionary Management Services, a description of Wainwright's compensation for those services and important disclosures.

Funds to which Wainwright provides Hedge Fund Advisory Services and funds for which Wainwright or WFS, LLC receive compensation are not eligible investments for accounts over which Wainwright exercises discretionary trading authority. Discretionary Management Services clients wishing to invest in those funds may do so through a separate and distinct Advisory Consulting Services account.

Private funds and investments that require a subscription agreement<sup>4</sup> and separately managed accounts are not eligible investments for accounts over which WIC exercises discretionary trading authority. Discretionary Management Services clients wishing to invest in those funds or strategies may do so through a separate and distinct Advisory Consulting Services account.

Unless by mutual agreement and understanding, a Discretionary Management Services portfolio will not be managed for tax risk tolerance considerations.

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<sup>3</sup> The buying or selling activity could include the purchase or sale of a listed option and the initiation of (or the covering of) a short sale.

<sup>4</sup> Private funds include, but are not limited to, hedge funds and funds-of-funds, private equity funds and funds-of-funds, venture capital funds and funds-of-funds, private real estate funds and funds-of-funds.



## **4.6. Sub-Advisory Investment Management Services**

### **4.6.1. Discretionary Sub-Advisory Investment Management Services**

Wainwright provides Discretionary Sub-Advisory Investment Management Services whereby Wainwright has discretionary trading authority over each of the Client Sub-Accounts. Wainwright provides one or more models of varying investment objectives, needs, circumstances and risk tolerance, each a “Strategy” to the Discretionary Sub-Advisory Master Account who in turn offers the Strategy to its Client Sub-Accounts based on their investment objectives, needs, circumstances and risk tolerance. Each of the Client Sub-Accounts agrees to grant Wainwright discretionary trading authority by way of its agreement with the Discretionary Sub-Advisory Master Account. Wainwright has investment discretion over the purchase and sale of securities and other instruments in the Client Sub-Account according to the Strategy. For each Strategy, Wainwright will determine which securities to buy or sell<sup>5</sup>, the number of shares to be bought or sold and the timing of the transaction. Wainwright has no obligation to evaluate or complete any suitability or financial analysis regarding any particular Client Sub-Account.

Funds to which Wainwright provides Hedge Fund Advisory Services and funds for which Wainwright or WFS, LLC receive compensation are not eligible investments for accounts over which Wainwright exercises discretionary trading authority. Discretionary Management Services clients wishing to invest in those funds may do so through a separate and distinct Advisory Consulting Services agreement.

### **4.6.2. Non-Discretionary Sub-Advisory Investment Management Services**

Wainwright provides Non-Discretionary Sub-Advisory Consulting Services on a non-discretionary basis whereby Wainwright provides one or more models of varying investment objectives, needs, circumstances and risk tolerance, each a “Strategy” to the Client who in turn offers the Strategy to its Client Sub-Accounts based on their investment objectives, needs, circumstances and risk tolerance. The Client, and each of the Client Sub-Accounts, retains the ultimate authority to decide whether to accept, modify or reject the investment recommendation according to the investment objectives, needs, circumstances and risk tolerance of the Strategy.

## **4.7. Hedge Fund Advisory Services**

Wainwright provides discretionary advice and/or certain other services to a privately offered fund, as described in further detail below.

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<sup>5</sup> The buying or selling activity could include the purchase or sale of a listed option and the initiation of (or the covering of) a short sale.

Funds to which Wainwright provides Hedge Fund Advisory Services and funds for which Wainwright or WFS, LLC receive compensation are not eligible investments for accounts over which Wainwright exercises discretionary trading authority. Discretionary Management Services clients wishing to invest in those funds may do so through a separate and distinct Advisory Consulting Services agreement.

#### 4.7.1. Wainwright Capital Partners, LLC

Wainwright has a wholly-owned subsidiary, Wainwright Capital Partners, LLC (“WCAP”), which is registered as a Commodity Pool Operator registered with the U.S. Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”). WCAP is the general partner of the Wainwright Renaissance Fund 1, L.P., a Delaware limited partnership (the “Wainwright Renaissance Fund”) and the Wainwright Global Capital, LP, a Cayman Islands partnership. WCAP is a “related person” of Wainwright due to Wainwright’s 100% ownership of WCAP. Eric Bertonazzi, CEO and Chairman of the Board of Managers of Wainwright, is a managing member, principal and associated person of WCAP and controls its management and operations. Paul Martins, Chief Financial Officer, Chief Administrative Officer and a member of the Board of Managers of Wainwright, is a principal of WCAP, and controls the management and operations of WCAP. Gustavo Aristizabal, President and a member of the Board of Managers of Wainwright, is Chief Compliance Officer and a principal of WCAP, and controls the management and operations of WCAP. Stephen Barrett is a member of the Board of Managers of Wainwright and a principal of WCAP. Additional information about Eric Bertonazzi, Gustavo Aristizabal and Stephen Barrett can be found in Wainwright’s Form ADV Part 2B Brochure Supplement (the “Brochure Supplement”). Additional information about Paul Martins is available upon request.

Wainwright is the Administrative Manager of the Wainwright Renaissance Fund and is responsible for providing certain administrative services to the fund for which Wainwright is compensated by the Wainwright Renaissance Fund. Additional details about those services are available upon request.

##### 4.7.1.1. Wainwright Renaissance Fund 1, L.P.

The Wainwright Renaissance Fund invests substantially all of its assets into a single investment: the Renaissance Institutional Equities Fund LLC Series BB (“RIEF”).

Wainwright is not affiliated with RIEF or any of RIEF’s affiliates. Neither Wainwright nor any of its affiliates or related persons have any involvement in the day-to-day management of the portfolio positions or trading within RIEF. Wainwright serves as the Administrative Manager of the Wainwright Renaissance Fund. Wainwright receives a fee for the administrative management services it provides to the Wainwright Renaissance Fund. These services include management of the Wainwright Renaissance Fund’s operations, supervising the administrator, analyzing and reporting the Wainwright Renaissance Fund’s performance to its limited partners, and performing various administrative and back office services for the Wainwright Renaissance Fund. Wainwright shall not be responsible for determining whether an investment in RIEF is appropriate or continues to be appropriate for the Wainwright Renaissance Fund.

Wainwright does not recommend or solicit any state regulated pension fund clients to invest in the Wainwright Renaissance Fund. Where appropriate and in limited circumstances, Wainwright may recommend an institutional client consider an investment directly into RIEF.

For any clients of Wainwright (or its affiliates) that consider an investment of \$5 million or more into the Wainwright Renaissance Fund there is an actual or potential conflict of interest since that client may be eligible to invest directly into RIEF (with its lower aggregate fees and shorter, more favorable redemption terms) versus making an investment into the Wainwright Renaissance Fund. Prior to making a \$5 million or more investment in the Wainwright Renaissance Fund, Wainwright reviews the advantages and disadvantages of the subscription terms of an investment in RIEF versus the Wainwright Renaissance Fund and provide that evaluation in writing to the prospective investor.

#### 4.7.2. Wainwright Global Capital, LP

Wainwright Global Capital, LP, a Cayman Islands partnership, is a wholly-owned subsidiary of Wainwright that is intended to provide services to clients located outside of the United States. WCAP is the general partner of Wainwright Global Capital, LP. This entity is not currently engaged in any business or investment activities and has been dormant since its 2012 inception.

#### 4.7.3. Wainwright Renaissance International Fund, Ltd.

Wainwright Renaissance International Fund, Ltd., an exempted company formed under the laws of the Cayman Islands, was established to allow non-U.S. investors, as well as U.S. tax-exempt investors, the opportunity to obtain exposure to Renaissance Institutional Equities Fund International L.P. The Wainwright Renaissance International Fund, Ltd. is not currently engaged in any business or investment activities and has been dormant since 2010.

### **4.8. Asset Allocation Strategies Consulting Services**

Wainwright has in the past, and may again in the future, provide asset allocation strategy consulting services to the corporate sponsor of a defined contribution plan in an advisory capacity.

### **4.9. Ad-Hoc Management Consulting Services**

Wainwright also provides Ad-Hoc Management Consulting Services in the form of customized projects, educational workshops and/or materials based on its industry knowledge and/or familiarity with best practices. Such services are typically limited in nature and based on the communicated needs of the client.

### **4.10. Assets Under Management and Assets Under Advisement**

As of December 31, 2021, Wainwright had regulatory assets under management of:

- Advisory Consulting (non-discretionary): \$4,776,502,000
- Discretionary Management Services: \$84,244,000

## **Item 5 – Fees and Compensation**

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Wainwright receives compensation for providing Advisory Consulting and Discretionary Management Services, including Discretionary Sub-Advisory Investment Management Services, by charging a fee on the client's assets under management, investment performance, or a combination of both. Wainwright receives compensation for Ad-Hoc Management Consulting Service arrangements based on the scope and services to be provided by Wainwright. Fixed fee arrangements may also be available under certain circumstances such as for providing model investment strategy portfolios or in certain Advisory Consulting or Discretionary Management Service engagements. The specific manner for which fees are charged by Wainwright is described within each client's written agreement with Wainwright. All fees and fee arrangements are subject to negotiation.

### **5.1. Valuation of Securities**

Wainwright has adopted policies and procedures which are reasonably designed to value client securities and assets in a manner that is current, fair, and accurate.

#### **5.1.1. Liquid Securities and Hedge Funds**

Unless otherwise disclosed, the value of securities and assets held by clients of Wainwright are reported to Wainwright by third parties which include, but are not limited to, banks, qualified custodians and fund administrators. Wainwright deems these sources to be reliable and does not independently audit or guarantee the accuracy of the data.

#### **5.1.2. Hard to Price Holdings Including Private Equity and Real Estate Holdings**

For periods which private equity statements are not yet available, private equity holdings are carried at the last published valuation provided by the manager plus or minus contributions or distributions between that valuation date and the date the fee is calculated. Client fees will be calculated using the last published valuation and, with limited exception, those calculations will not be adjusted in future periods.

### **5.2. Fees for Advisory Consulting and Discretionary Management Services**

Fees for Advisory Consulting and Discretionary Management Services, including Sub-Advisory Investment Management Services, are generally calculated as a fixed percentage of the market value of assets under management on the last business day of the quarter. Asset-based fee schedules are generally tiered, offering breakpoints for larger account balances and, while quoted on an annual basis, are, with limited exception, calculated and assessed on a quarterly basis, in arrears. Advisory Consulting or Discretionary Management Services fees may also be calculated using another method, such as the average of assets under management during the quarter or on a fixed annualized fee basis, upon mutual agreement with the client. Wainwright may, by mutual agreement with the client, take into consideration the total asset value of the account combined with the asset values of any affiliated Advisory Consulting and Discretionary Management Services client account(s).

In cases where Wainwright's fee is paid in advance, and in the event of the termination during a quarter, Wainwright shall retain only a pro rata portion of the quarterly fees paid in advance based on the actual number of days in the quarter from the first day of the quarter through and including the termination date. The remaining balance of the prepaid fees for such quarter shall be promptly refunded.

Account minimums are subject to negotiation.

The standard annual fee schedule for Advisory Consulting Services is:

- 1.50% on the first \$1.0 million of account assets.
- 0.50% for assets between \$1.0 million and \$5.0 million.
- 0.40% for assets above \$5.0 million.

The annualized asset-based fee schedule for Discretionary Management Services clients generally ranges from 0.5% to 1.5% of account assets. If by written agreement between the Discretionary Management Services client and the Firm, eligible Discretionary Management Services clients may also be charged a performance-based fee. See Item 6 – Performance-Based Fees and Side-By-Side Management below for additional information about performance-based fees.

Adjustments to advisory fees may be made to an Account in the event that, during a quarter, the sum of all deposits to the Account minus all withdrawals from the Account by the Client results in a net deposit to or withdrawal from the Account of greater than \$50,000, and represents more than 10% of the value of the Account as of the beginning of the quarter. In such cases, the pro-rated fee adjustment is calculated to reflect the application of the advisory fee to each deposit, and a reduction of the advisory fee for each withdrawal, based on the number of days the applicable assets are in the Account during the quarter.

Private funds for which Wainwright or WFS, LLC receive compensation (e.g., the Wainwright Renaissance Fund or any other non-Wainwright affiliated fund) are included in the assets under management of an Advisory Consulting or Discretionary Management Services account but are generally excluded from Wainwright's Advisory Consulting or Discretionary Management Services fee calculations. In the limited circumstances where such private funds are included in the aforementioned fee calculations, the client typically receives the benefit of a discounted Wainwright Advisory Consulting or Discretionary Management Services fee.

Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see Item 4.7) or any fund with which it, or WFS, LLC, has a solicitation or private placement arrangement.

Clients may elect to be billed for their fees or they may authorize their qualified custodian to debit fees directly from their investment account(s) and credit those fees to Wainwright. See Item 15 – Custody.

Advisory Consulting and Discretionary Management Services fees will be pro-rated if services begin after the first day, or end before the last day, of a billing period. Upon termination, any unearned portion of any prepaid payment will be refunded in a timely manner, and any earned portion of any arrears arrangement will be due and payable. Clients may terminate their Advisory Consulting or Discretionary Management Services agreements in writing, according to the specific terms of their respective agreement. Wainwright does not assess termination charges.

Asset-based fees create an incentive for Wainwright to over-estimate the value of securities and assets held in client accounts in order to receive higher compensation on an inflated market value. Inaccurate valuations would also inflate client account performance which is also calculated based on the value of securities and assets held in client accounts. Wainwright's clients may be harmed if the Firm uses inaccurate or inappropriate valuations for securities and assets held in client accounts. Wainwright has adopted policies and procedures which are reasonably designed to minimize actual or potential conflicts of interest for fee arrangements.

### **5.3. Performance-Based Fees for Discretionary Management Services**

Eligible Discretionary Management Services clients may negotiate performance-based fee arrangements with Wainwright on a case-by-case basis and such arrangements must be established by a written agreement between the Discretionary Management Services client and the Firm. Performance-based fees are based on the performance or capital appreciation of the investment assets of a client over a pre-determined period of time (e.g., a calendar year). Performance-based fees are offered in lieu of, or in addition to, asset-based fees. See *Item 6 - Performance-Based Fees and Side-By-Side Management* for additional information about performance-based fees.

Any performance-based fee arrangements will be in accordance with SEC Rule 205-3 and any applicable exemptions thereunder.

### **5.4. Fees for Hedge Fund Advisory Services**

Wainwright or its affiliates receive both asset-based management and performance-based fees for its Hedge Fund Advisory Services. Methods for calculating management and performance-based fees relating to Hedge Fund Advisory Services are set forth in each respective fund's offering documents. Wainwright or its affiliates reserve the right to waive, reduce, rebate, or calculate differently, for the benefit of the investor, the management fee, administrative services fee and/or performance fee with respect to any investor in a fund to which Wainwright provides Hedge Fund Advisory Services (e.g., the Wainwright Renaissance Fund).

Performance-based fees are typically billed on an annual basis as set forth in each respective fund's offering documents. Upon redemption prior to a calendar year end, the earned portion of any performance-based fee will be due and payable in accordance with the fund's offering documents. Any performance-based fee arrangements will be calculated and assessed in accordance with the fund's offering documents and applicable rules and regulations including any available exemptions thereunder.

See Item 6 - Performance-Based Fees and Side-By-Side Management for additional information about performance-based fees.

#### 5.4.1. Wainwright Renaissance Fund 1, L.P.

Wainwright receives a quarterly management fee for the management and administrative services it provides to the Wainwright Renaissance Fund. These services include management of the Wainwright Renaissance Fund's operations, supervising the administrator, analyzing and reporting the Wainwright Renaissance Fund's performance to its limited partners, and performing various administrative and back office services for the Wainwright Renaissance Fund.

Management fees, while quoted on an annual basis, are calculated and assessed on a quarterly basis, in advance, as set forth in the fund's offering documents. WCAP, as the general partner of the Wainwright Renaissance Fund, will receive a performance-based incentive fee allocation out of the net profits (if any) of the strategy. Performance-based fees are typically calculated and assessed on an annual basis as set forth in the fund's offering documents.

The quarterly management and administrative services fees and annual performance-based fees are calculated by the Fund's third-party administrator for payment to Wainwright and WCAP, respectively.

#### 5.4.2. Wainwright Global Capital, LP

This entity is not currently engaged in any business or investment activities and Wainwright does not receive any fees for services provided.

#### 5.4.3. Wainwright Renaissance International Fund, Ltd.

This entity is not currently engaged in any business or investment activities and Wainwright does not receive any fees for services provided.

### 5.5. Fees for Asset Allocation Strategies Consulting Services

Wainwright has in the past received, and may again receive in the future, fixed fees for providing asset allocation strategy consulting services to the corporate sponsor of a defined contribution plan.

### 5.6. Fees for Ad-Hoc Management Consulting and Additional Services

Wainwright will receive fees for providing Ad-Hoc Management Consulting Services in the form of customized projects. Fees for Ad-Hoc Consulting Management Services are charged on a fixed fee basis. Fees for additional services are negotiated on a client-by-client and project-by-project basis based on the scope of services as set forth in the written agreement with the client.

### **5.7. Fees for Wainwright Acting as Solicitor**

Wainwright has in the past received, and may again receive in the future, asset-based and performance-based and other advisory fees in its capacity as a Solicitor for introducing clients to third-party registered investment advisers (see Item 14 – Client Referrals and Other Compensation).

### **5.8. Additional Client Expenses**

Clients of Wainwright will incur additional fees and expenses charged by their respective custodians and broker-dealers for providing services to the client's account. Such fees will be dependent on the investments in the client's account and include, but are not limited to, custodial fees, transaction costs, brokerage commissions and mutual fund expenses. Clients will also incur certain other charges imposed by custodians, brokers, third-party investment managers and other third-parties, such as interest charges, ticket charges, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, overnight delivery fees and other fees and taxes on brokerage accounts and securities transactions. Clients are responsible for the payment of these costs and expenses.

Mutual funds (including money market mutual funds or other cash equivalents), exchange-traded funds, investment advisers and private funds also charge management and/or performance-based fees, as the case may be, which are disclosed in that fund's prospectus or offering documents. Such charges, fees and commissions are exclusive of, and in addition to, fees paid for Wainwright's services. Wainwright does not receive or share in any compensation related to these additional fees or expenses.

### **5.9. Compensation to Registered Representatives of WFS, LLC**

Wainwright has a wholly-owned subsidiary, WFS, LLC, that is an SEC registered broker-dealer and a member of FINRA and SIPC. Most of Wainwright's employees are registered representatives of WFS, LLC. WFS, LLC's current primary business activity is to facilitate private placement transactions.

Wainwright employees who are registered representatives of WFS, LLC receive production compensation for the sale of certain investment products, such as private funds, that may or may not be held by Wainwright clients. The receipt of this compensation creates a conflict of interest and gives Wainwright employees who are registered representatives of WFS, LLC an incentive to recommend investment products based on compensation received, rather than on a client's specific needs or investment objectives. Wainwright addresses this conflict through its private placement pre-approval procedure, oversight by the Firm's Enterprise Risk Management Committee and oversight by the Firm's Investment Policy & Risk Management Committee. With limited exception, private product offerings for which Wainwright or WFS, LLC receives compensation are generally excluded from Wainwright's Advisory Consulting or Discretionary Management Services fee calculations.



Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see *Item 4.7*) or any fund with which it, or WFS, LLC, Wainwright's has a wholly-owned broker-dealer subsidiary, has a private placement arrangement.

Please see *Item 12 – Brokerage Practices* for more information.

#### 5.10. **Compensation to WCAP**

WCAP, as the general partner of the Wainwright Renaissance Fund, will receive a performance-based incentive fee allocation out of the net profits (if any) of the strategy. Performance-based fees are typically calculated and assessed on an annual basis as set forth in the fund's offering documents. The quarterly management and administrative services fees and annual performance-based fee are calculated by the Fund's third-party administrator for payment to Wainwright and WCAP, respectively.

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

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In addition to asset-based or fixed fees, eligible Discretionary Management Services clients may also be charged a performance-based fee (see *Item 5 – Fees and Compensation* above). Performance-based fees are based on the performance or capital appreciation of the investment assets of a client over a pre-determined period of time (*e.g.*, calendar year). Performance-based fees are offered in lieu of, or in addition to, asset-based fees.

#### 6.1. **Performance-Based Fees for Discretionary Management or Hedge Fund Advisory Services**

Performance-based fee arrangements for eligible Discretionary Management Services clients may be negotiated with Wainwright on a case-by-case basis and such arrangements must be established by a written agreement between the Discretionary Management Services client and the Firm. Performance-based fees are offered in lieu of, or in addition to, asset-based fees. Any performance-based fee arrangement will be in accordance with SEC Rule 205-3 and any applicable exemptions thereunder.

#### 6.2. **Conflicts of Interest**

Performance-based fees create an incentive for Wainwright to recommend investments that are riskier or more speculative in an effort to maximize potential returns. Wainwright and its employees may be perceived to have an incentive to devote more resources toward managing accounts for which it charges a performance-based fee over other types of client accounts that are not charged a performance-based fee, such as Advisory Consulting Services clients. Wainwright addresses these conflicts through its private placement pre-approval procedures and oversight by the Firm's Enterprise Risk Management Committee, the Investment Policy & Risk Management Committee, and Wainwright's CEO.

### 6.3. Side-by-Side Management

The practice of managing two or more client portfolios which pay different fees, including but not limited to performance-based fees, is known as “side-by-side management.” Wainwright recognizes that side-by-side management can create an incentive for Wainwright to advantage one client at the expense of another client with the intention of maximizing the fees Wainwright collects for its services or enhancing a particular portfolio or composite’s performance. Wainwright has policies and procedures in place to mitigate these risks. These include the following policies which are contained in this brochure:

- *Aggregation and Allocation for Advisory Consulting Services Accounts and Aggregation and Allocation for Discretionary Management Services Accounts* which establishes procedures for fair and appropriate allocation of investment opportunities;
- *Fees and Billing Procedures*, which identify the conflict of interest and incorporates controls for calculating and billing client fees;
- *Review of Accounts*, which outlines the process for monitoring portfolios for adherence to client risk constraints; and
- *Valuation of Securities*, which mitigates the risk that Wainwright could value a client asset incorrectly.

### 6.4. Discretionary Management Services Clients

Eligible Discretionary Management Services clients may negotiate performance-based fee arrangements with Wainwright. Performance-based fee arrangements must be established by a written agreement between the Discretionary Management Services client and the Firm.

### 6.5. Hedge Fund Advisory Services

Wainwright or its affiliates receive both asset-based management and performance-based fees for its Hedge Fund Advisory Services. Methods for calculating performance-based fees relating to Hedge Fund Advisory Services are set forth in each respective fund’s offering documents.

### 6.6. Wainwright as Solicitor

Wainwright has in the past received, and may again receive in the future, asset-based and performance-based and other advisory fees in its capacity as a Solicitor for introducing clients to third-party registered investment advisers (see *Item 14 – Client Referrals and Other Compensation*).

### 6.7. WFS, LLC Private Placement Services

Wainwright receives performance-based fees indirectly through WFS, LLC in connection with WFS, LLC’s private placement services, including its role as placement agent for the private fund described above in *Item 4 – Advisory Business* as well as for other unaffiliated private funds.

A portion of the performance-based fees and other compensation earned by WFS, LLC from its private placement services is paid to registered representatives of WFS, LLC (who are also employees or supervised persons of Wainwright) as production compensation.

Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see Item 4.7) or any fund with which it, or WFS, LLC, has a solicitation or private placement arrangement.

## **Item 7 – Types of Clients**

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Wainwright provides discretionary and non-discretionary investment advice to U.S.: individuals; high net worth individuals; family offices; endowments; trusts; estates; foundations; corporations and other business entities; pooled investment vehicles including hedge funds and other investment partnerships; charitable and tax-exempt institutions; pension, profit-sharing, 401(k) and other plans that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”); employee benefit plans; and state and municipal governmental pension and post-employment benefit plans. Wainwright additionally provides discretionary and non-discretionary investment advice and sub-advisory services to non-U.S. foundations, corporations and banks.

Wainwright has provided investment advice to pooled investment vehicles in the past and may provide advice to such clients in the future.

The Firm has clients domiciled both within and outside of the United States.

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

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### **8.1. Methods of Analysis and Investment Strategies**

#### **8.1.1. Advisory Consulting Services**

Depending on a particular client’s needs and objectives, Wainwright employs the following methods of analysis and recommends an investment strategy using the following steps:

*Determine Current Exposure:* Review the client’s current portfolio and analyze the existing portfolio’s investment characteristics by asset class, strategy and style. This analysis typically includes, but is not limited to, weightings by asset class, expected returns and risk metrics.

*Formulate Investment Policy Statement (“IPS”) or Investment Strategy Framework:* Work with the client and coordinate the development of an IPS or investment strategy framework which defines an investor’s investment objectives, tolerance for risk, investment time horizon, liquidity needs, tax considerations, legal and regulatory considerations, and any unique circumstances that may apply. These considerations are critical in determining a client’s target asset allocation.

*Asset Allocation Analysis:* Examine Wainwright’s capital market assumptions for each asset class and integrate them with specific investment policy objectives. Generate model portfolios to evaluate different asset class scenarios for client consideration.

*Manager Due Diligence:* Perform manager due diligence employing both quantitative and qualitative metrics. The analysis may include, but is not limited to: performance; style specificity; asset growth; volatility of returns; downside risk; firm history; portfolio characteristics; and manager expertise.

*Portfolio Construction:* Construct the client portfolio according to the results of the asset allocation analysis and the IPS/investment strategy framework inputs, both of which require client input. Portfolios will be constructed with some combination of mutual funds, exchange traded funds or separately managed accounts. In addition, if eligible and appropriate, alternative investments including limited partnerships, private funds or other pooled investment vehicles may be included within the portfolio construction process.

*Portfolio Monitoring:* Review client accounts and provide quarterly reports. Some of the specific metrics Wainwright evaluates include: active versus passive strategies, risk target in a specific asset class, pre-existing exposures, investment manager style, risk adjusted returns, tax considerations, separate versus commingled account management, tracking error, and correlation among managers and strategies.

#### 8.1.2. Advisory Consulting and Discretionary Management Services

Depending on a particular client engagement, Wainwright may use any of the following methods of analysis in Advisory Consulting and Discretionary Management Services accounts:

*Lack of Control for Discretionary Assets:* Once the assets of the Client are allocated to the account pursuant to a Discretionary Investment Advisory Agreement, the Client will not control the individual investments made by Wainwright, their choice of investments or other investment decisions, which are totally within the control and discretion of Wainwright pursuant to the terms of the executed Discretionary Investment Advisory Agreement between the Client and Wainwright.

*Fundamental Analysis:* Wainwright attempts to measure, and recommends managers who attempt to measure, the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the issuer itself) to determine if the issuer is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

*Technical Analysis:* Wainwright analyzes, and recommends managers who attempt to analyze, past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of an issuer. This presents the risk that a poorly managed or financially unsound issuer may underperform regardless of market conditions.

### 8.1.3. Hedge Fund Advisory Services

Wainwright employs similar but not identical methods of analysis to its Hedge Fund Advisory Services as it does for its Advisory Consulting or Discretionary Management Services, subject to the investment objectives and investment restrictions set forth in each fund's offering documents.

### 8.1.4. Ad-Hoc Management Consulting and Additional Services

The methods of analysis for Wainwright's Ad-Hoc Management Consulting and other services will vary depending on the scope of the Ad-Hoc engagement.

## 8.2. **Material Risk Factors**

*Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of, nor predictable by Wainwright. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war or regional/global pandemic) that may affect investments in general or specific industries or companies. The investment decisions made and the actions taken in managing client assets will be subject to various market, liquidity, currency, economic, political and other risks. Investing in securities involves risk of loss that clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments may lose value and past performance is never a guarantee of future results.*

The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, nor all of the risks applicable to a particular manager, security or investment. Rather, it is a general description of the nature and risks of the Advisory Consulting and Discretionary Management Services provided by Wainwright and the related investments.

This summary is qualified in its entirety by reference to the prospectuses and offering documents that apply to the funds that Wainwright recommends and/or in which a client invests. Clients should carefully read those prospectuses and/or offering documents before making an investment in any fund.

### 8.2.1. General Risks

*Risks of Investing in Securities:* Securities markets are volatile and investing in securities involves the risk of loss that clients should be prepared to bear. Wainwright cannot guarantee that the strategies offered will be able to achieve a particular level of return or maintain a particular risk profile.

Risks vary by client according to their investment objectives, guidelines, liquidity needs or risk tolerances and not every strategy or portfolio will be exposed to each of the risks described in this Brochure. This list is not intended to be exhaustive of all of the risks associated with investing in strategies or securities that are recommended by Wainwright.

*Market Risk:* The direction of the capital markets (*i.e.*, stock, credit, interest rate, real estate, private equity, volatility, etc.) are difficult to predict and are dependent upon changes in a number of factors, including, but not limited to, interest rates, inflation, and a host of additional economic and political factors. There is always a risk that the capital markets as a whole will decline, bringing down the value of individual securities regardless of their fundamental characteristics. Market risk is also known as systematic risk or undiversifiable risk. This risk is both unpredictable and impossible to completely eliminate.

*Investment Advisor Selection Risk:* The investment performance of a client's investment program will vary with the success or failure of the investment advisor that a client selects to manage their assets. An investment advisor's past performance is not indicative of future results. Current and prospective clients should not assume that the future performance of any specific investment advisor, investment strategy, recommendation or investment will be profitable.

*Asset Allocation Risk:* A portfolio that holds large cash positions may deviate from the stated benchmark and could underperform as a result. Differences in the security holdings and weights of a portfolio versus the strategy benchmark will result in disparities between a portfolio's performance relative to its benchmark.

A portfolio may perform better or worse than a similarly managed account for various reasons including, but not limited to, the frequency and timing of rebalancing and trading each portfolio and the size and number of positions in each portfolio.

*Portfolio Concentration Risk:* Strategies that are concentrated in only a few securities, sectors or industries, regions or countries or asset classes could expose a portfolio to greater risk and may cause the portfolio value to fluctuate more widely than a portfolio that is diversified. Overexposure to certain sectors or asset classes (*e.g.*, MLPs, REITs, etc.) may prove to be detrimental to an investor if there is a negative sector move.

*Company Specific Risk:* The risk related to a firm's business plans, stock valuation, profitability, accounting practices, growth strategy, and other factors particular to a company rather than to the overall market. Some of these risks cannot be predicted, such as the retirement or death of a senior executive, which may lead to negative performance in the future.

*Stock, Security, ETF or Fund Selection Risk:* The risk that an investor chooses a security that underperforms the market for unanticipated reasons. There can be no assurance that investors will ever come to realize the value of some of these investments, and that the investment will ever increase in value. During this time, the investor may have funds locked up in an underperforming investment, which presents an opportunity cost for other investments.

*Timing Risk:* The risk that an investment performs poorly after its purchase or better after its sale. Moreover, if a redemption is required by the investor, the investor may face a loss due to poor overall market performance or security performance at that time.

*Data Risk:* Wainwright's securities analysis relies on data that is provided by third-party vendors and publically available sources of information. Information that is incomplete, inaccurate or outdated would affect the efficacy of that analysis.

*Counterparty Risk:* A portfolio is subject to risk with respect to the counterparties. Risks affecting counterparties such as brokers, custodians, clearing banks or agents, escrow agents or issuers, foreign exchanges or securities lending programs could result in failure by the counterparty to honor its obligations. A portfolio may experience significant delays in obtaining any recovery (including recovery of posted collateral) during insolvency, bankruptcy or other reorganization proceedings and might realize only a limited recovery or no recovery at all. If the credit rating of a counterparty is lowered, a portfolio would be exposed to any increased credit risk associated with that counterparty.

*Credit Risk:* The credit rating of an issuer of a security is based on, among other things, the issuer's historical financial condition and the rating agencies' investment analyses at the time of rating. An actual or perceived deterioration of the ability of an issuer to meet its obligations would have an adverse effect on the value of the issuer's securities.

*Liquidity Risk:* Low trading volume, large positions or legal restrictions are some conditions which could limit or prevent a portfolio from selling particular securities or closing positions at desirable prices. Securities that are relatively liquid when acquired could become illiquid over time. The sale of any such illiquid investment might be possible only at substantial discounts or might not be possible at all. Further, such investments may be difficult to value.

*Global and National Crisis Risk:* Ongoing or future global or national crises including, but not limited to, pandemic, cyberattack, sabotage, terrorism, and acts of war could result in disruptions to the economies of many nations, individual companies, and can negatively impact global markets in an unforeseeable manner. Such disruptions include, but are not limited to: travel restrictions; quarantines; supply chain disruptions; and workforce inefficiencies, absenteeism, distraction or general anxiety. Such unpredictable, but no longer unprecedented, crises may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such crises may be quick, severe and of unknowable duration. Ongoing or future crises could result in the temporary or permanent disruption of Wainwright's ability to provide investment advice and volatility in the financial markets and could have a negative impact on investment performance.

### 8.2.2. Investment Risks

*Equity Securities:* Equity instruments are subject to equity market risk, which is the risk that common stock prices will fluctuate over short or even extended periods. Equity securities generally have greater price volatility than fixed income securities. The market price of equity securities may increase or decrease, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting markets generally, particular industries, sectors or geographic regions represented in those markets, or individual security concerns.

*Debt or Fixed Income Securities:* Debt securities are affected by changes in interest rates. When interest rates rise, the value of debt securities are likely to decrease. Conversely, when interest rates fall, the values of debt securities are likely to increase. The values of debt securities may also be affected by changes in the credit rating or financial condition of the issuing entities.

*Master Limited Partnerships (“MLPs”):* MLPs are limited partnerships that trade on securities exchanges similar to stocks. Issuers of MLPs are not subject to income tax, and shareholders in MLPs are actually “limited partners” in that company. The issuers’ special tax designation allows MLPs to pass the tax burden on to their shareholders which will result in higher tax obligations for taxable clients.

*Risks Associated with Exchange Traded Funds (“ETFs”) and Exchange Traded Notes (“ETNs”):* ETFs and ETNs are, by definition, portfolios of securities, and although the unsystematic risk associated with investments in ETFs and ETNs may be low relative to investments in securities of individual issuers, there are events that can trigger sharp, and sometimes adverse, price movements in ETFs and ETNs that are not related to movements of the markets in general. These events include, but are not limited to, unanticipated dividends, changes to regular dividend amounts, announcements of rights offerings and possible unexpected revisions to the net asset values of the ETF and ETN. ETFs are subject to market risk, whereas ETNs are subject to both market risk and the credit risk of the issuer of the ETN.

Further, certain Wainwright accounts may hold (or short sell) positions in certain volatility-related ETFs and ETNs, and certain of those securities may be leveraged or have prices which are inversely related to an underlying index or benchmark. These instruments pose unique risks which include, amongst other things, market risk, compounding risk (*e.g.*, the effect of daily compounding of returns may result in returns over periods of longer than a single day which will likely differ in amount and possibly even direction from the underlying benchmark), potential “acceleration” or “termination” events associated with rapidly declining Net Asset Value (“NAV”), and the extreme price volatility. Acceleration or termination could result in a substantial or total loss of investment. See *Borrowing and Leverage Risk*.

*Borrowing and Leverage Risk:* If permitted by a client’s investment guidelines and by mutual agreement with the client, a portfolio may purchase securities on margin, engage in short sales, borrow money or use derivatives, each of which will cause the portfolio to be leveraged. Leverage exaggerates the effect on a portfolio’s value for any increase or decrease in the market value of the portfolio’s investment value. Leveraging will also create interest expenses for a portfolio which can exceed the investment return from the borrowed funds.



*Short Sales:* If permitted by a client's investment guidelines and by mutual agreement with the client, a portfolio may engage in short selling. Wainwright makes no assurance that a strategy utilizing short sales will be profitable. A short sale is effected by selling a security which the seller does not own, or selling a security which the seller owns but which it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the prime broker or custodian on behalf of the seller must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The seller must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must, unless the seller then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash and/or marketable securities with the lender. Short selling is subject to theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the "short" position is closed out.

Further, short sales of securities involve a form of investment leverage and the amount of the portfolio's potential loss is theoretically unlimited. See *Borrowing and Leverage Risk*.

*Options Trading:* If permitted by a client's investment guidelines and by mutual agreement with the client, a portfolio may engage in options strategies. The taker (the buyer) of an option pays a premium which entitles it to buy (in the case of a call) or sell (in the case of a put), from or to the grantor (the seller), a specified number of securities at a specified price, during the specified period. Options are speculative in that the whole cost of a purchased option is lost unless the price of the underlying security has moved in the anticipated direction and the option is exercised or closed (but not allowed to expire); however, liability is limited to the premium paid for the option. An option writer (or seller) becomes obligated to purchase or sell the options contract or the underlying securities at a specified price during a specified period. In exchange for the premium received upon writing an option, the Client bears the risk of loss from adverse price movements in the underlying contracts or the underlying security so long as the position remains open. In the case of a sold option, the seller could have unlimited risk exposure or the potential for a significant loss.

Options are complicated and risky investments because they require an investor not only to predict whether the price of a security is going up or down, but also predict the amount and timing of that movement. This requires a sophisticated understanding of the underlying security, as well as the particular options strategy being used to speculate or hedge a security.

Before engaging in options trading, a client must acknowledge that they have carefully read and understand the Agreement and the booklet entitled "Characteristics and Risks of Standardized Options" (<https://www.theocc.com/getmedia/a151a9ae-d784-4a15-bdeb-23a029f50b70/riskstoc.pdf>), and has consulted with their applicable legal, tax and financial advisors.

*Futures Contract Risk:* If permitted by a client's investment guidelines and by mutual agreement with the client, a portfolio may engage in futures strategies. The use of futures, for hedging or other purposes, involves risk and could result in lower returns or even losses in a client account. There is a risk that a derivative may not be well correlated with the security, index or currency to which it relates. Daily exchange limits on the price movement of a futures contract may make trading or closing out a position difficult or impractical. It is possible that a client could lose more than the cash amount invested in the derivative. Additional information about the risks related to futures strategies is available upon request.

*Preferred Equity:* Holders of preferred equity are positioned between the bondholders and common stockholders within the liquidation of the capital structure. Preferred equity is subordinate to various other levels of debt, so if a company declares bankruptcy, the holders of preferred equity will not receive payment until all of the company's secured creditors and bondholders have received payment. Also, like debt securities, the values of preferred equities are closely tied to interest rates. Typically, the longer the maturity, the more the preferred equity is affected by changes in interest rates.

*Foreign Markets:* Investments in foreign companies and overseas markets may involve unique risks, including, but not limited to, risks relating to changes in currency exchange rates, political, economic and social events, different market operations and less information. Additional information about the risks related to investing in foreign, emerging and frontier markets is available upon request.

*Alternative Investments:* In addition, if eligible and appropriate, alternative investments including limited partnerships, private funds or other pooled investment vehicles may be included within the portfolio construction process. Alternative investments involve additional risks that clients must consider. Lock-up periods and other terms obligate investors to commit their capital investment for a minimum period of time, typically no less than one or two years and sometimes up to 10 or more years. Illiquidity is considered to be the most substantial risk and will restrict the ability of an investor to liquidate an investment early regardless of the success of the investment. Alternative investments are difficult to value within a client's total portfolio. There may be limited availability of suitable benchmarks for comparison of performance; historical performance data may also be limited. In some cases, there may be a lack of transparency and regulation providing an additional layer of risk. Some alternative investments may involve use of leverage and other speculative techniques. As a result, some alternative investments may carry substantial, additional risks, which may result in the loss of some or all of the investment. For tax-exempt investors, use of leverage and certain other strategies will result in adverse tax consequences, such as the possibility of unrelated business taxable income as defined under the U.S. Internal Revenue Service Code.

### 8.2.3. Procedural and Operational Risks

*Key Personnel Risk:* The death, disability, or departure of key investment personnel, or other changes to the Wainwright Investment Committee, could have a material effect on our ability to monitor the investment recommendations by the Firm and could adversely affect our ability to effectively implement those strategies.

*Operational Risk:* Portfolios are exposed to operational risk introduced through human intervention or the failure of automated processes. Operational risks include, but are not limited to, reconciliation errors, trading the wrong security, trading a security for an unintended portfolio or purchasing a security that a portfolio was intended to sell, or vice versa.

*System Failures and Reliance on Technology Risks:* Wainwright's operations rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, some of the technology used is provided by third-party service providers and is, therefore, beyond Wainwright's direct control. Wainwright seeks to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, through its vendor due diligence procedures but there is no guarantee that any or all third-party service provider risks will be mitigated. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems. Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, Wainwright continually evaluates its backup and disaster recovery systems and performs periodic testing of its backup systems operations. Despite our continued monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable and result in consequences such as the inability to execute client transactions or monitor client accounts. See Item 12 – Brokerage Practices and Item 13 – Review of Accounts.

*Cybersecurity Risk:* A portfolio is susceptible to operational and informational security risks due to the increased use of the Internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of third-party service providers may cause disruptions at third-party service providers and impact Wainwright's business operations, potentially resulting in: financial losses; the inability to transact business; violations of applicable privacy and other laws, regulatory fines, or penalties; reputational damage; unanticipated expenses or other compensation costs; and/or additional compliance costs. Wainwright has an established business continuity and disaster recovery plan and related cybersecurity procedures designed to prevent or reduce the impact of such risks, there are inherent limitations in such plans and systems due in part to the evolving nature of technology and cyberattack tactics.

*Adherence to IPS or Investment Strategy Framework Risk:* Client relationships with portfolio specific investment objectives, guidelines, restrictions or risk tolerances are exposed to the risk that these goals are not achievable or that the portfolio unpredictably deviates from those guidelines or limitations.

## **Item 9 – Disciplinary Information**

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Registered investment advisers are required to provide information about any legal or disciplinary events that would be material to a client's evaluation of Wainwright or the integrity of its management. Wainwright has no disciplinary events to disclose.

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

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Wainwright has a wholly-owned subsidiary, WFS, LLC that is an SEC registered broker-dealer and a member of FINRA and SIPC. Most of Wainwright’s employees are registered representatives of WFS, LLC. WFS, LLC’s current primary business activity is to facilitate private placement transactions. Please see *Item 5 – Fees and Compensation* and *Item 12 – Brokerage Practices* for additional information. Additional details about WFS can be found at <https://brokercheck.finra.org/firm/summary/116778>.

Wainwright has several affiliations and interests in various limited partnerships and limited liability companies, as described in *Item 4 – Advisory Business*.

Wainwright and WFS, LLC receive additional compensation in connection with certain managers or funds that are recommended to Advisory Consulting Services clients. For additional information, please refer to *Item 4.7* and *Item 14 – Client Referrals and Other Compensation*.

Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see *Item 4.7*) or any fund with which it, or WFS, LLC, has a solicitation or private placement arrangement.

Wainwright has a wholly-owned subsidiary, Wainwright Capital Partners, LLC (“WCAP”), which is registered as a Commodity Pool Operator registered with the U.S. Commodity Futures Trading Commission and is a member of the National Futures Association. WCAP is the general partner of the Wainwright Renaissance Fund 1, L.P., a Delaware limited partnership (the “Wainwright Renaissance Fund”) and the Wainwright Global Capital, LP, a Cayman Islands partnership. Please see *Item 4.7* for additional information.

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

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### **11.1. Code of Ethics and Personal Trading**

As is required by SEC Rule 204A-1 under the Advisers Act, Wainwright has adopted a Code of Ethics (the “Code”) for its supervised persons which describes, among other things, the Firm’s fiduciary duty to its clients and standards of conduct for its employees and supervised persons. Wainwright has policies and procedures in place for: the protection of personal and confidential information; the prevention of insider trading; gifts and entertainment; contributions to elected officials; and personal securities trading practices. All supervised persons of Wainwright receive annual compliance training on Wainwright’s compliance policies and procedures and are required to annually certify that they have received, read, understood, and will comply with those policies, including the Code and Wainwright’s Supplemental Wainwright Organization Policies and Procedures. Revisions, updates, or amendments to the Code are distributed to all supervised persons of Wainwright in a timely manner. A copy of Wainwright’s Code and certain supplemental policies are available to any client or prospective client, free of charge, upon request.

#### 11.1.1. Protection of Personal and Confidential Information

Wainwright has adopted written policies and procedures that address physical, technical, and administrative safeguards for the protection of customer data, personnel records and other personal, confidential or proprietary information (collectively, “confidential information”). Wainwright’s policies and procedures are reasonably designed to:

- Ensure the security and privacy of any confidential information in Wainwright’s possession;
- Protect against any anticipated threats or hazards to the security or integrity of any confidential information in Wainwright’s possession;
- Protect against unauthorized access to, or use of, any confidential information in Wainwright’s possession that could result in substantial harm or inconvenience to Wainwright Personnel or any client or investor who is a natural person; and
- Protect against unauthorized access to, or distribution of, sensitive or confidential information.

Wainwright has controls in place that are reasonably designed to restrict access to confidential information to those Wainwright employees or supervised persons who need to know that information in the course of their job responsibilities.

#### 11.1.2. Prevention of Illegal Insider Trading

It is a violation of federal law to purchase or sell securities (or options to purchase or sell securities) of any company based upon material non-public information (“inside information”) or to share such inside information with another person who uses the information for their own profit or to avoid a loss.

Wainwright has implemented policies and procedures designed to identify and monitor employee personal trading for evidence of insider trading.

All Wainwright Personnel shall annually certify that they have received, read, understood, and will comply Wainwright’s Insider Trading Policy and applicable rules.

#### 11.1.3. Gifts and Entertainment

Wainwright has a responsibility to ensure that gifts and entertainment do not create conflicts of interest or the appearance of impropriety that could reflect negatively on Wainwright and its business relationships. Wainwright Personnel are prohibited from accepting, offering, giving, or providing any gift, entertainment, prize, benefit, compensation, or consideration that could reasonably be expected to compromise their independence and/or objectivity.

Wainwright has implemented policies and procedures to report gifts and entertainment given to, or received by, Wainwright or its employees and supervised persons and to identify conflicts and prevent prohibited activities.

#### 11.1.4. Contributions to Elected Officials

SEC Rule 206(4)-5 defines “pay-to-play” as the practice of making contributions and related payments to elected or labor union officials in order to influence the awarding of lucrative contracts for the management of public pension or labor union plan assets or similar government investment accounts.

Wainwright has policies which prohibit its covered associates from making contributions or related payments to elected or labor union officials at the local, state and federal levels.

#### 11.1.5. Personal Securities Trading Practices

Rule 204A-1 requires, among other things, certain advisory personnel of a registered investment adviser to report their personal securities transactions to the adviser including initial and annual holdings and quarterly transactions reports. Wainwright’s Personal Transactions Policy is intended to prevent conflicts of interest, or the appearance of a conflict of interest, with the investment advice it provides to its clients.

Wainwright employees and supervised persons may buy or sell the same securities for their personal accounts that the Firm may also recommend to its Advisory Consulting or Discretionary Management Services clients, or funds to which Wainwright or its affiliates provide hedge fund advisory services. With limited exception, Wainwright employees and supervised persons must obtain pre-clearance prior to executing a transaction in any Personal Account<sup>6</sup> in which they have a beneficial interest<sup>7</sup>. Unless by specific exception, personal investments must be held for a minimum of thirty (30) calendar days to reduce the incentive for short-term trading and maintain focus on Wainwright’s core responsibilities to its clients.

Wainwright’s CCO, or their designee, is primarily responsible for providing trade pre-clearance and reviewing and monitoring the personal transactions of Wainwright employees and supervised persons.

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<sup>6</sup> It should be noted that although exempt from pre-clearance requirements, Personal Accounts which are also Wainwright client accounts (*e.g.*, where an investment advisory agreement has been executed) are not exempt from the holdings and transactions reporting requirements.

<sup>7</sup> Wainwright Personnel who are physically and functionally involved in the day-to-day operations of Wainwright or who may have access to information about current client transactions are considered “access persons” and are subject to the Personal Securities Trading Practices. These individuals are presumed to be a beneficial owner of securities that are held by their immediate family members residing in the access person’s household.

#### 11.1.5.1. Blackout Periods

Wainwright reserves the right to implement security or fund specific employee personal transaction blackout periods for buying and selling securities or funds in personal accounts when investment recommendations are amended by the Research and Due Diligence Committee (“RDC”). Wainwright shall allow sufficient time for any RDC recommendation to be disseminated to its Advisory Consulting Services clients before the blackout is lifted and Wainwright employees and supervised persons may buy or sell those securities for their personal account(s).

#### 11.2. **Principal and Agency Cross Trades in Discretionary Management Services Accounts**

Wainwright does not engage in principal or agency cross transactions for any client account. Wainwright does not cross trade between any client accounts or affiliated funds.

### **Item 12 – Brokerage Practices**

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Wainwright has a wholly-owned subsidiary, WFS, LLC, that is an SEC registered broker-dealer and a member of FINRA and SIPC.

Wainwright does not receive research or related products or services, other than execution-only services, from any broker-dealer or third-party in connection with client transactions. In certain limited circumstances, and where it will be advantageous to the client, Wainwright may request for the benefit of its client(s), an ETF provider or their designated broker, to create shares at net asset value in consideration of the order size, size of the fund, average trading volume and market availability.

With limited exception<sup>8</sup>, Wainwright does not negotiate client commissions paid to broker-dealers to execute client transactions. Wainwright does not select broker-dealers for Advisory Consulting or Discretionary Management Services client securities transactions (see Item 16 – Investment Discretion). Client securities transactions are typically executed through the executing broker-dealer affiliated with, or preferred by, the client’s qualified custodian. For example, if the client’s qualified custodian is State Street Corporation, brokerage trades will typically be routed for execution at State Street Global Markets as that custodian’s preferred executing broker. Similarly, a client account that utilizes Pershing Advisor Solutions, LLC or Interactive Brokers LLC as the qualified custodian, will likely have brokerage executions routed through that custodian’s preferred executing broker.

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<sup>8</sup> WIC has negotiated commission rates for brokerage executions routed through Pershing LLC through its agreement with Pershing Advisor Solutions, LLC.

### **12.1. Pershing Advisor Solutions, LLC**

Pershing Advisor Solutions, LLC represents the largest, by number of accounts, of all of the custodial relationships for Wainwright clients. Wainwright has an agreement with Pershing Advisor Solutions, LLC whereby Pershing Advisor Solutions, LLC makes available products and services to Wainwright's clients including, but not limited to, clearing, custody or other brokerage services. In consideration of this relationship, Pershing provides services to Wainwright and its clients that include, but are not limited to, software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocation and aggregation of trade orders for multiple client accounts; (iii) facilitates payment of Wainwright fees from its clients' accounts that are custodied at Pershing Advisor Solutions, LLC; and (iv) assists with back-office functions, recordkeeping and client reporting. These services do not represent any economic benefit to Wainwright as Wainwright would not be compelled to purchase these services at its own expense in the absence of this relationship. Wainwright has periodically negotiated lower standard client commission rates with Pershing Advisor Solutions, LLC.

### **12.2. Interactive Brokers LLC**

Wainwright has an agreement with Interactive Brokers LLC whereby Interactive Brokers LLC makes available products and services to Wainwright's clients including, but not limited to, clearing, custody or other brokerage services. Wainwright makes this arrangement available as an accommodation to clients who for whom Pershing Advisor Solutions, LLC is unable to provide such services (e.g., certain non-U.S. clients). In consideration of this relationship, Interactive Brokers LLC provides services to Wainwright and its clients that include, but are not limited to, software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocation and aggregation of trade orders for multiple client accounts; (iii) facilitates payment of Wainwright fees from its clients' accounts that are custodied at Interactive Brokers LLC; and (iv) assists with back-office functions, recordkeeping and client reporting. These services do not represent any economic benefit to Wainwright as Wainwright would not be compelled to purchase these services at its own expense in the absence of this relationship.

### **12.3. Aggregation and Allocation for Advisory Consulting Services Accounts**

Trade orders for Advisory Consulting Services clients are entered (or facilitated, as the case may be) within a reasonable time from when the instruction or authorization is received from the Advisory Consulting Services client. Although multiple Advisory Consulting Services client accounts may purchase or sell the same securities on the same day, orders will not necessarily be aggregated due to the timing of client acceptance of recommendations throughout the day. In such circumstances, prices will deviate across client Advisory Consulting Services accounts.



#### **12.4. Aggregation and Allocation for Discretionary Management Accounts**

Allocation procedures will be fair, equitable, and determined in advance of trading in a specific security on any given day. Wainwright manages multiple Discretionary Management Services accounts that may purchase or sell (or short or cover) the same securities at the same time. Where possible, Wainwright will aggregate orders for the purchase or sale of the same security for each respective IAR's Discretionary Management Services clients transacting that day at that custodian<sup>9</sup>. In such cases, each participating client will receive the average execution price at that custodian. Each participating client will pay a brokerage commission and other charges imposed by their custodian (e.g., ticket charges, odd-lot differentials). With limited exception, partial order executions will be allocated on a pro-rata basis among the participating portfolios at that custodian in proportion to their pre-determined participation in the aggregated order.

#### **12.5. Aggregation and Allocation for Hedge Fund Advisory Services Accounts**

Wainwright does not effect trade orders on behalf of any fund to which it provides Hedge Fund Advisory Services.

#### **12.6. Soft Dollars**

Wainwright does not currently engage in soft dollar activity, including permitted soft dollar arrangements or mixed use arrangements.

#### **12.7. Execution Quality (Best Execution)**

Wainwright has a fiduciary duty to seek best execution for any transactions it routes for any client account over which it has trade authority (discretion). Best execution has been defined by the SEC as the execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances.<sup>10</sup>

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<sup>9</sup> Situations may arise where, unbeknownst to one another, one IAR executes trades for their discretionary accounts while another uses discretion to transact in the same security. Such trades might not be aggregated with other IAR accounts and could even be opposite sides of a transaction.

<sup>10</sup> General Information on the Regulation of Investment Advisers, Division of Investment Management modified March 11, 2011: <http://www.sec.gov/divisions/investment/iaregulation/memoia.htm>.

## 12.8. **Mutual Fund Share Class Selection**

Neither Wainwright nor its supervised persons receive asset-based sales charges or service fees from transactions in mutual funds. Nonetheless, Wainwright recognizes its fiduciary duty to identify and recommend the most advantageous mutual fund share classes for purchase in clients' accounts which may or may not be limited to the lowest cost share class eligible to the client. When purchasing a mutual fund on behalf of a client, Wainwright shall review the share classes approved for use by its clients to determine if a more cost effective share class is available than those share classes that are currently held by any client. Considerations which will influence Wainwright's recommendations include, but are not limited to, liquidity, expense ratios, the client's investment time horizon and distribution requirements.

## **Item 13 – Review of Accounts**

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### 13.1. **Advisory Consulting and Discretionary Management Services**

At the inception of each Advisory Consulting or Discretionary Management Services client relationship, Wainwright's investment adviser representatives or consultants ("IARs") shall prepare (or assist the client in preparing) an investment policy statement ("IPS") or investment strategy framework that reflects the client's stated investment objective and parameters for the management of the account. This information is the basis for performing client account reviews and will be modified if the objectives, tolerance for risk, investment time horizon, liquidity needs, tax considerations, or other unique circumstances of the client change. See Investment Policy Statement Preparation above. Wainwright conducts at least quarterly reviews for all Advisory Consulting and Discretionary Management Services client accounts and provides at least quarterly written account reports as set forth in the Firm's Advisory Consulting or Discretionary Management Services agreement with the client. Account reviews include, but are not limited to, market fluctuations, significant events, client needs and client objectives.

All clients receive, at a minimum, a quarterly written report containing asset values and performance information. Quarterly written reports include, but are not limited to: market value by asset class, instrument or investment, as applicable; the percentage each investment represents in the entire portfolio; monthly or quarterly returns; and year-to-date return for each portfolio and/or investment. In certain client engagements, and as mutually agreed upon by the client and Wainwright, a client may also receive customized daily, weekly or monthly reports. The investment results presented in client reports may exclude certain recommendations made by Wainwright that were not accepted by a client or, alternately, may include investment decisions made by a client without a recommendation by Wainwright. Clients will also receive asset valuation reports and/or performance information directly from an underlying manager, such as for a private fund, or their qualified custodian. Certain other information may be provided upon request.

Additional information provided to clients could include, but is not limited to: Financial Market Highlights for the quarter; selected index returns for the period; an asset allocation summary; geographic composition; portfolio liquidity; hedge or private fund investment market value summary; statistical analysis of monthly returns; portfolio composition by asset class; portfolio composition by manager; performance by asset class; and performance attribution metrics.

An objective review for Advisory Consulting and Discretionary Management Services accounts is conducted on a semi-annual basis (or more or less frequently as deemed necessary by Wainwright) by Wainwright's Investment Policy & Risk Management Committee in order to evaluate the alignment between the client's investment philosophy and their existing portfolio. These periodic reviews take into consideration liquidity, investment time horizon, and recent changes to a client's investment objectives, risk tolerance, and/or any other factors deemed pertinent for that particular client, such as tax or legal considerations.

All performance information and materials are reviewed and approved by Wainwright's CCO, or their designee, prior to delivery.

### **13.2. Discretionary Management Services**

For Discretionary Management Services accounts, portfolios are reviewed no less frequently than monthly by the IAR and their supervisor. The IAR, with the assistance of the analyst team and/or the Operations Department, will conduct more frequent reviews as the result of either a triggering event (*i.e.*, extreme market volatility or significant events affecting the client's financial situation) or at the request of the client.

### **13.3. Hedge Fund Advisory Services**

All investors in the Wainwright Renaissance Fund receive from an independent third-party administrator a: (i) monthly statement and (ii) quarterly net asset value statement. Additionally, audited financial statements prepared in accordance with Generally Accepted Accounting Principles by an independent accounting firm are distributed to investors on an annual basis.

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

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### **14.1. Client Referrals to Wainwright**

Wainwright pays referral fees to independent persons or firms ("Solicitors") for introducing clients to the Firm. When Wainwright pays a referral fee, in accordance with SEC Rule 206(4)-3 of the Investment Advisers Act of 1940 as amended, Wainwright requires the Solicitor to provide the prospective client with a copy of this Brochure and a separate written disclosure statement that includes the following information:

- The Solicitor's name and relationship with the Firm;
- The fact that the Solicitor is being paid a referral fee;
- The amount of the fee (as a percentage of its gross management fees); and
- A statement as to whether the fee paid by the Firm to the Solicitor will increase Wainwright's normal fees in order to compensate the Solicitor<sup>11</sup>.

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<sup>11</sup> A client referred to Wainwright is not charged a fee greater than they would have paid had they come directly to Wainwright.

## **14.2. Wainwright as Solicitor**

Wainwright has in the past, and may again in the future, enter into solicitor agreements with a registered investment adviser not affiliated with Wainwright. Wainwright has in the past received, and may again receive in the future, asset-based and performance-based and other advisory fees in its capacity as a Solicitor for introducing clients to third-party registered investment advisers. Whenever Wainwright receives referral fees in accordance with SEC Rule 206(4)-3 as amended, the prospective client executes a separate Solicitor Disclosure Statement that includes the following information:

- Wainwright's name as Solicitor and its relationship with the registered investment adviser;
- The fact that Wainwright is being paid a referral fee;
- The amount of the fee (as a percentage of its gross fees); and
- A statement as to whether the fee paid by the adviser to Wainwright will increase the registered investment adviser's normal fees in order to compensate Wainwright (as Solicitor).

## **14.3. Solicitation Arrangements for Hedge Fund Advisory Services**

WFS, LLC, the broker-dealer affiliate of Wainwright, is the non-exclusive placement agent for the Wainwright Renaissance Fund. WFS, LLC receives a placement fee under the Wainwright Renaissance Fund's private placement agreement for any investor that invests in such fund as a result of WFS, LLC's sales efforts. Please refer to *Item 4 – Advisory Business* for details regarding the Wainwright Renaissance Fund.

WFS, LLC currently acts in the capacity of a solicitor or private placement agent for unaffiliated private funds and may, in the future, receive and/or pay compensation to additional third parties as a result, the nature and amount of which must be dictated by a respective solicitor and/or private placement agreement.

Wainwright does not recommend or solicit any state regulated pension fund client to invest in any fund to which it provides Hedge Fund Advisory Services (see *Item 4.7*) or any fund with which it, or WFS, LLC, has a solicitation or private placement arrangement.

## **Item 15 – Custody**

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### **15.1. Advisory Consulting and Discretionary Management Services**

Clients of Wainwright must retain a broker-dealer, bank, or other qualified custodian of its choice to take possession of its investment assets.<sup>12</sup> With limited exception, neither Wainwright nor its employees or supervised persons may accept, hold or accept authority to obtain possession of, directly or indirectly, any client funds or securities. Wainwright will not intentionally take custody of client funds or securities, including cash. Wainwright's authority with respect to the client's qualified custodian is principally limited to issuing instructions to effect or settle trades, corporate actions instructions and, if authorized, direct debiting of its Advisory Consulting or Discretionary Management Services fees.

Wainwright urges its clients to carefully review and compare their custodian statements to any portfolio statements provided by Wainwright and report any material discrepancies to both parties. Clients should contact Wainwright directly if they believe that there is an error in their statement or if they are not receiving at least quarterly custodian statements.

Except as described below, Wainwright shall not have actual, or constructive, custody of client assets.

### **15.2. Deduction of Advisory Fees**

Wainwright will be deemed to have custody as a result of its authority to notify the applicable custodian of the client's instruction to deduct its Advisory Consulting or Discretionary Management Services fees from client accounts and remit that fee directly to Wainwright. This arrangement is authorized between the client and their qualified custodian.

### **15.3. Capacity as General Partner**

WCAP is deemed to have custody of the Wainwright Renaissance Fund's assets by virtue of its capacity as the general partner of the fund. By extension, Wainwright is deemed to have custody through WCAP, a wholly-owned subsidiary of Wainwright, and as the Administrative Manager of the Wainwright Renaissance Fund. WCAP and Wainwright rely on the annual audit exemption provided under Rule 206(4)-2 of the Investment Advisers Act of 1940 as amended, with respect to the Wainwright Renaissance Fund.

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<sup>12</sup> In the case of accounts holding shares of open-end mutual funds, the qualified custodian is the fund's transfer agent and shares are held in the client's name listing Wainwright, as agent or trustee for the clients.

#### 15.4. **Capacity as Trustee**

In a limited number of circumstances, IARs of Wainwright hold a position of trust such as in the capacity as trustee or as a board member<sup>13</sup> for client accounts as a result of a family or personal relationship with the client and not as a result of employment with Wainwright. Wainwright is not deemed to have custody of these client accounts. All such activity must receive prior approval from their immediate supervisor and the CCO of Wainwright and is discussed within the context of the Wainwright Investment Policy & Risk Management Committee semi-annual review and at the ERISA & Position of Trust Oversight Committee quarterly meeting.

#### 15.5. **Pershing Advisor Solutions, LLC**

Wainwright recommends Pershing Advisor Solutions, LLC to clients requesting guidance on the selection of their custodian. In doing so, Wainwright takes into account the availability of certain products and services and other arrangements provided by this custodian. Wainwright considers the intrinsic value of these products and services when making this recommendation and does not rely solely on the nature, cost or quality of custody and brokerage services provided by this custodian, which creates a potential conflict of interest. See *Item 12 – Brokerage Practices* for additional information.

In the situation where a client elects to custody their assets at PAS, Wainwright shall have trade authority to route discretionary or non-discretionary trade orders through a trade execution platform provided by PAS for execution by Pershing, LLC. Wainwright does not require any client to use any custodian recommended by Wainwright. Clients may engage another custodian and/or executing broker-dealer at their discretion.

#### 15.6. **Interactive Brokers LLC**

In certain situations, Wainwright will recommend Interactive Brokers LLC to clients requesting guidance on the selection of their custodian (*e.g.*, non-U.S. clients). In doing so, Wainwright takes into account the availability of certain products and services and other arrangements provided by this custodian. Wainwright does not rely solely on the nature, cost or quality of custody and brokerage services provided by this custodian, which creates a potential conflict of interest.

In the situation where a client elects to custody their assets at Interactive Brokers LLC, Wainwright shall have trade authority to route discretionary or non-discretionary trade orders through a trade execution platform provided by Interactive Brokers LLC for execution. Unless otherwise directed, Interactive Brokers LLC will select the market/dealer to which to route Customer's orders. Wainwright does not require any client to use any custodian recommended by Wainwright. Clients may engage another custodian and/or executing broker-dealer at their discretion.

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<sup>13</sup> If a supervised or related person of Wainwright is appointed as trustee solely as a result of a family or personal relationship with the grantor or beneficiary of the trust, and not as a result of employment with Wainwright, the role of the supervised person as trustee should not be imputed to Wainwright; thus Wainwright should not be deemed to have custody of such client's assets and therefore Wainwright should not be subject to the custody rule.

## **Item 16 – Investment Discretion**

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### **16.1. Advisory Consulting Services**

Wainwright does not have investment discretion for Advisory Consulting Services clients. The IAR will make investment recommendations to the client and the client retains the ultimate authority to decide whether to accept, modify or reject the investment recommendation. A non-discretionary account requires prior authorization or instruction from the client to effect each transaction. Discretionary Management Services

Discretionary Management Services clients delegate investment discretion to Wainwright through a written Discretionary Management Services agreement. Discretionary authority allows Wainwright to determine which securities to buy or sell<sup>14</sup>, the number of shares to be bought or sold, and the timing of the transaction. While a Discretionary Management Services client will have the ultimate authority to select an executing broker-dealer for their respective account, Wainwright is available to provide guidance or recommendations with regard to the selection of an executing broker-dealer. See *Item 15 – Custody*.

Each account's IAR and the IAR's supervisor is primarily responsible for oversight and review of the Discretionary Management Services account. Wainwright's Investment Policy & Risk Management Committee supplements this oversight through semi-annual client account reviews. See *Item 13 – Review of Accounts* for additional information.

### **16.2. Hedge Fund Advisory Services**

#### **16.2.1. Wainwright Renaissance Fund 1, L.P.**

The Wainwright Renaissance Fund invests substantially all of its assets into a single investment: the Renaissance Institutional Equities Fund LLC Series BB ("RIEF") (see *Item 4.7*).

Wainwright is not affiliated with RIEF or any of RIEF's affiliates. Neither Wainwright nor any of its affiliates or related persons have any involvement in the day-to-day management of the portfolio positions or trading within RIEF. Wainwright serves as the Administrative Manager of the Wainwright Renaissance Fund.

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<sup>14</sup> The buying or selling activity could include the purchase or sale of a listed option and the initiation of (or the covering of) a short sale.

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

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### **17.1. Advisory Consulting Services**

Without the prior written consent by the CEO and CCO and the authority granted by the Advisory Consulting Services client, Wainwright shall not vote proxies on behalf of its Advisory Consulting Services clients. Advisory Consulting Services clients will retain voting responsibility and will receive proxy materials directly from their custodian(s). These clients may contact Wainwright's CCO with questions about a particular solicitation or ballot. Otherwise, Wainwright shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the securities held by Advisory Consulting Services clients.

Wainwright shall not vote proxies on behalf of any state regulated pension fund or ERISA client.

### **17.2. Discretionary Management Services**

In limited circumstances, and with the prior written consent of the CEO and CCO and the authority granted by the Advisory Consulting Services client, Wainwright will accept authority to vote proxies on behalf of Discretionary Management Services clients. Otherwise, Discretionary Management Services clients will retain voting responsibility and will receive proxy materials directly from their custodian(s). These clients may contact Wainwright's CCO with questions about a particular solicitation or ballot. Otherwise, Wainwright shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the securities held by Discretionary Management Services clients.

The Firm maintains policies and procedures with respect to those instances where it votes client securities. Additional information is available upon request at 617-531-3100 or [Compliance@winvcounsel.com](mailto:Compliance@winvcounsel.com).

### **17.3. Hedge Fund Advisory Services**

Wainwright shall not vote proxies on behalf of any fund to which it provides Hedge Fund Advisory Services.



#### 17.4. **Class Actions and Other Legal Proceedings**

From time to time, clients may receive notices of class action litigation, bankruptcy proceedings and settlements involving a security held in a client portfolio. These notices provide the client the opportunity, as a shareholder, to participate in the proposed litigation or the settlement of claims. The responsibility and authority for responding to class actions and other legal proceedings rests solely with the registered shareholder or legally appointed agent (*i.e.* custodian) of the client or the client's attorney. The decision regarding whether to file a proof of claim in a class action settlement or other legal proceeding is a question involving legal judgment. Neither Wainwright nor its affiliates provide legal advice or represent or facilitate class action claims or participate in other legal proceedings on behalf of clients. Furthermore, Wainwright and its affiliates do not instruct or give advice as to whether or not a client should participate as a member of a class action lawsuit or participate in other legal proceedings and will not file claims on behalf of its clients. For any client who determines they wish to participate as a member of the class, upon request, Wainwright will provide supporting documentation pertaining to their account that may be helpful and/or required in order for the client to file a proof of claim. Any claims forwarded by a client to Wainwright will not be returned to the client and Wainwright will not submit such claim on behalf of the client. Clients are strongly urged to consult with appropriate legal counsel before evaluating, responding to and participating in any class action litigation or other legal proceedings.

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

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Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Wainwright has no financial commitment that would impair its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of any bankruptcy proceeding.