



Glendon Capital Management L.P.

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This Brochure provides information about the qualifications and business practices of Glendon Capital Management LP. If you have any questions about the contents of this Brochure, please contact us at (310) 907-0459 or at mmontgomery@glendoncap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Glendon Capital Management L.P. is registered with the U.S. Securities and Exchange Commission as an Investment Adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Glendon Capital Management L.P. is also available on the SEC's website at www.adviserinfo.sec.gov.



Item 2 Material Changes

Not applicable.

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Item 4 – Advisory Business

Glendon Capital Management L.P. (“GCM”, “we” or “us”) is a limited partnership organized under the laws of the state of Delaware and is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. GCM is wholly owned by Glendon Capital Management LLC which is wholly owned by Matthew Barrett, Holly Kim, Eitan Melamed and Brian Berman all of whom are active in managing the business of GCM. GCM commenced operations as of April 26, 2013

From 2006 until April 26, 2013 Matthew Barrett, Holly Kim and Brian Berman were Managing Directors serving in a portfolio management and investment advisory capacity at a major international bank that had hired them when it had the opportunity to attract a renowned group of professionals who had worked together before in asset management and had developed a highly regarded acumen in distressed debt investing. Eitan Melamed joined the other GCM owners in 2007 from Goldman Sachs and later became a Managing Director at the same major international bank.

GCM is an opportunistic investor with a focus on distressed debt situations. Although GCM focuses on distressed debt situations, individual clients may place limitations on certain securities or certain types of securities in which they will invest.

GCM currently has approximately \$2.1 billion of Assets under Management. GCM has discretionary authority with respect to \$400 million of such assets and non-discretionary authority with respect to \$ 1.7 billion of such assets

Item 5 – Fees and Compensation

Glendon does not currently have a fee schedule. All fees are subject to negotiation.

The specific manner by which we will charge fees will be established in your written client agreement with GCM. We will generally bill our fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize GCM to debit fees directly from the client’s accounts. Depending on the arrangement with the Client, we may deduct our management fees from the Client’s account or bill the Client for fees incurred. Our



management fees will be prorated for each capital contribution and withdrawal made during the applicable calendar quarter [with the exception of de minimis contributions and withdrawals]. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Our fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to GCM's fee, and GCM shall not receive any portion of these commissions, fees and charges.

Item 12 further describes the factors that GCM considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

In most cases, GCM will enter into performance fee arrangements with qualified clients; performance fees are subject to individualized negotiation with each such client. GCM will structure any performance or incentive fee arrangement to comply with Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 205-3 thereunder. Performance based fee arrangements may create an incentive for advisers to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor accounts that pay higher performance fees over other accounts that pay lower or no performance fees in the allocation of investment opportunities. GCM has adopted policies and procedures designed ensure that all clients are treated fairly and equitably, and to prevent this potential conflict from influencing the allocation of investment opportunities among clients.



Item 7 – Types of Clients

GCM will provide portfolio management services to institutions such as banking organizations, private investment funds, registered investment companies, foreign investment companies, educational endowments, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, trust programs, sovereign funds, foreign funds, and other U.S. and international institutions. GCM will also offer its services to high net worth individuals and family offices. The minimum account size that GCM will manage is \$25,000,000.

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

The staff of GCM integrates experienced professionals in all of the disciplines that are critical to successful analysis of distressed debt, including accounting, law, bankruptcy, capital markets and fundamental securities analysis. They combine extensive experience in distressed bank debt, defaulted securities and bankruptcy situations with proven expertise in valuing companies and assets, negotiation and restructuring.

A. Methods of Analysis

GCM's objective is to seek high absolute returns without taking excessive risk by investing in value oriented, event-driven strategies that allow us to purchase assets at a discount to their intrinsic value. We focus on credit and equity instruments in industries and asset classes that are experiencing varying levels of distress or dislocation. Our investment process combines fundamental industry and entity analysis with a deep understanding of complex transactions and processes including bankruptcies and restructurings.

We anticipate that a majority of our investments are in secondary market instruments, although on an opportunistic basis, we may participate in primary issuances of debt or equity. GCM invests or takes a short position in the full range of financial instruments including: (1) investment grade corporate debt, high yield bonds, leveraged loans and

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distressed debt, (2) structured credit products, which may include commercial and residential mortgage securities, aircraft securitization and other asset-backed structured securities, (3) trade claims, (4) value oriented equities in companies and industries experiencing stress or dislocation, and (5) credit default swaps. Although GCM will not use direct leverage in pursuing its investment strategies, our clients may be exposed to indirect leverage when we, on a limited basis, utilize equity and bond short sales, credit and currency derivative products and various index products to hedge and or enhance our trading strategies.

B. Risk of Loss

Account values will fluctuate based upon a multitude of factors , including the financial condition, results of operations and prospects of the issuers of the underlying securities or loan positions, governmental intervention, market conditions, and local, regional, national and global economic conditions. Therefore, clients may lose all or a portion of their principal invested with GCM if the investment strategies are not successful. Among the risks that investing in securities involves are:

Market Risk – Market Risk is the day-to-day potential for an investor to experience losses from fluctuations in securities prices.

Credit Risk/Counterparty Risk - The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. Investors are compensated for assuming credit risk by way of interest payments from the borrower or issuer of a debt obligation. GCM invests primarily in the securities of financially troubled issuers and operationally troubled issuers that involve a high degree of credit and market risk. Although GCM will invest in select companies that, in the view of GCM, have the potential over the long term for capital growth, there can be no assurances that such financially troubled issuers or operationally troubled issuers can be successfully transferred into profitable operating companies. There is the possibility that a client may incur substantial or total losses on their investments or that such investments may not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high.

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There can be no assurance that GCM will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action.

Liquidity – Many of the markets and instruments traded by GCM for its clients may experience significant changes to liquidity and potential illiquidity at any given time during the economic cycle. Securities and other financial instruments of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected.

Leverage – Certain investments may include securities of companies with leveraged capital structures, which could be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of the company or its industry. Similarly, certain investments may be made in entities that are unable to generate sufficient cash flow to meet principal and interest payments on their indebtedness. Accordingly, the value of a client's investment in such an entity could be significantly reduced or even eliminated due to further credit deterioration.

Concentration Risk – Client accounts are not generally limited with respect to the amount of capital that may be committed to any one investment. Unless separately negotiated, no limit will be placed on the concentration of investments to be made in a single industry.

Bank Loans, Participations and Assignments - GCM's investment program may include investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including:

- the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws;
- so-called lender-liability claims by the issuer or creditors of the obligations;
- environmental liabilities that may arise with respect to collateral securing the obligations; and
- limitations on the ability of the funds to directly enforce their rights with respect to participations.

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In analyzing each bank loan or participation, GCM compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the investors. In the event of the insolvency of the selling institution, an investor, by owning a participation interest, may be treated as a general unsecured creditor of the selling institution and may not benefit from any set off between the selling institution and the borrower. In addition, an investor may purchase a participation interest from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When an investor holds a participation interest in a loan it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects. Selling institutions voting in connection with such matters may have interests different from those of the investor and may fail to consider the interests of the investors in connection with their votes. The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment, an investor generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution. Assignments and participations are sold strictly without recourse to the selling institutions and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the investor will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

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Investments in Non US Securities - Investments in the securities of companies and governments of foreign countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in many countries and the low volume of trading, may result in a potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail in many foreign countries are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the U.S. There is also generally less regulation of the securities markets in many foreign countries than there is in the United States

Bankruptcy and Restructuring Process Risk – The main focus of GCM’s distressed debt strategy is to take advantage of opportunities arising from financial distress. There are a number of significant risks involved in investing in bankruptcy and /or restructuring proceedings. First, many events in a bankruptcy are the product of contested matters and adversarial proceedings that are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a capable entity. Further, if the proceeding is converted to liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor’s return on investment can be impacted adversely by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until it ultimately becomes effective. Fourth, certain claims, such as claims for taxes, wages and certain trade claims, may have priority by law over the claims of certain creditors. Fifth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor’s estate prior to any return to creditors. Sixth, creditors can lose their

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ranking and priority in a variety of circumstances, including if they exercise “domination and control” over a debtor and other creditors can demonstrate that they have been harmed by such actions. Seventh, investors in the company may be subject to a court-imposed “cram down” in which they lose their seniority in the capital and security interest structure. Eighth, GCM may seek representation on creditors’ committees and as a member of a creditors’ committee it may owe certain obligations generally to all creditors similarly situated that the committee represents and may be exposed to liability to such other creditors who disagree with GCM’s actions. There can be no assurance that GCM would be successful in obtaining results most favorable to its clients in such proceedings, although clients may incur significant legal fees and other expenses in attempting to do so. GCM may also be subject to various trading or confidentiality restrictions.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing, and the classification, seniority and treatment of claims.

Derivative Risks – Where it is permitted under a client’s Investment Management Agreement GCM uses derivative financial instruments, which may include, without limitation, warrants, options, equity and/or interest rate swaps, credit default swaps, forward contracts, futures contracts and options thereon, and uses derivative techniques for hedging and for other trading purposes. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative due to, for example, nonconformance to anticipated or historical correlation patterns. In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out positions in order either to realize gains or to limit losses.

Some of the derivatives that may be traded by GCM will be “over-the-counter” contracts between a client and third parties entered into privately, rather than on an established exchange. As a result, clients will not be afforded the regulatory protections of an exchange or its clearinghouse, or of a government regulator that oversees the exchange or clearinghouse, if a counterparty fails to perform. In privately negotiated transactions,

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the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices.

Foreign Exchange Risk Exposure - Most of the investments that GCM makes for its accounts are denominated in U.S. dollars and issued in U.S. dollars. Certain of the assets in some accounts may, however, be invested in securities and other investments that are denominated in currencies other than U S dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between U.S. dollars and such other currencies. Some accounts may enter into spot and/or forward contracts to hedge currency risk exposure.

Hedging Transactions - GCM may at times attempt to hedge a client's portfolio positions; however, we may determine not to do so. Hedging may limit gains, while not hedging and imperfect hedging may result in losses or may fail to fully mitigate losses intended to be hedged. Investment hedging strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision making, economic or market conditions or other unanticipated factors.

Regulatory and Other Governmental Risks - Regulatory changes could occur that may adversely affect alternative investments, which are the focus of GCM's strategies. The legal, tax and regulatory environment for alternative investments is evolving, and changes in such regulation may adversely affect the value of such investments in our strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, and retain the right to suspend or limit trading in securities, which could expose our accounts to losses. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on GCM's business could be substantial and adverse.

In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self-

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regulatory scrutiny of the alternative investment fund industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the U.S. Congress and the SEC, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to us and the accounts we manage, the markets in which our accounts trade and invest or the counterparties with which we do business may be instituted in the future. There can be no assurance that we or the accounts we manage will be able, for financial reasons or otherwise, to comply with future laws and regulations.

Dependence on Key Personnel - GCM's investment success is highly dependent on the expertise and performance of its senior investment professionals. There can be no assurance that these senior investment professionals will continue to be associated with GCM as they are under no contractual obligation to do so. The loss of the services of one or more of these individuals could have a material adverse effect on investment performance.

Item 9 – Disciplinary Information

As a registered investment adviser, GCM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. GCM has no information applicable to this report in this regard.

Item 10 – Other Financial Industry Activities and Affiliations

Not Applicable

Item 11 – Code of Ethics

GCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on



insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at GCM must acknowledge the terms of the Code of Ethics at the commencement of their employment with GCM, annually, and whenever the Code of Ethics is amended.

The personal transactions and investment activities of employees of investment advisory firms are the subject of various federal securities laws, rules and regulations. GCM requires pre-clearance with respect to personal trading by access persons and all of GCM's access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an access person. In addition, GCM's access persons must provide annual holdings reports and quarterly transaction reports in accordance with SEC Rule 204A-1. Access persons must conduct all personal securities transactions in a manner that avoids a conflict between their personal interests and those of GCM and its clients.

GCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GCM or its clients, directly or indirectly, have a position of interest. Subject to adherence with GCM's Code of Ethics and applicable laws, officers, directors and employees of GCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for GCM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of GCM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity.

GCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Michael Montgomery, Chief Compliance Officer at (310) 907-0459 or by e-mail at mmontgomery@glendoncap.com



Item 12 – Brokerage Practices

GCM is responsible for the placement of its accounts transactions and the negotiation of prices and commissions, if any, with respect to such transactions. Fixed income and unlisted equity securities are generally purchased from a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Both fixed income and equity securities are also purchased in underwritten offerings at fixed prices that include discounts to underwriters and/or concessions to dealers.

In selecting brokers-dealers and executing transactions for its accounts, GCM seeks to obtain the best combination of price and execution on transactions effected for its accounts. For GCM, getting the best net price is an important but not deciding factor in selecting a broker or dealer to execute an account's transaction. Other considerations include the nature of the security being traded, the size and type of the transaction, the desired timing of the trade, the reputation of the broker-dealer for confidentiality, the perceived financial and operational soundness of the broker-dealer and the research services and products furnished by the broker-dealer.

GCM does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among accounts, believing that the research received is, in the aggregate, of assistance to GCM in fulfilling its overall duty to its clients. However, each and every research service may not be used to service each and every account managed by GCM and GCM may use research services to service accounts that did not pay commissions to the broker-dealers providing such research services. Moreover, GCM may benefit from those services as it may not have to pay for such research services out of its own resources.

Certain client accounts may trade in the same securities as other client accounts on an aggregated basis when consistent with GCM's obligation of best execution. In such circumstances, all participating client accounts will share commission costs equally and receive securities at a total average price. GCM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in

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the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

We generally aggregate the purchase and sale of securities for various accounts that have a similar investment strategy. In doing so, we seek to fairly allocate investment opportunities in situations when the opportunity to buy or sell a security or financial instrument or pursue a trading strategy is limited. GCM has adopted procedures that are designed to provide a fair allocation of aggregated purchases or sales of such investments among our clients. The procedures are designed to produce fairness over time but may not produce mathematical precision in the allocation of individual transactions.

While generally GCM will seek to allocate investments among client accounts on a pro rata basis (based on account size), we may determine that, based upon other factors, a pro rata allocation is inappropriate or not practicable. These factors include, but are not limited to (i) whether the investment will fit within the investment guidelines of the account; (ii) the size of the account; (iii) the liquidity of the investment and other liquidity considerations, including redemption/withdrawal requests received by such accounts; (iii) the diversification of the account; (iv) geographical, sector, industry and asset class concentrations in the account; (v) risk characteristics of the relevant investment and the client's risk appetite; (vi) whether the investment can be hedged (in connection with client accounts with guidelines that call for hedging); and (vii) the maturity of the Investment and the proximity of an account to the end of its specified term, if any (i.e., whether the account is in "wind down" or "ramp up" mode).

Sales of an investment will be allocated among the client accounts holding the position on a pro rata basis in accordance with the size of the relative position at the time of the sale. We have the discretion to vary such ratio or decide to sell for only one account based on the factors discussed above and also where sales are required to realize liquidity (i) for a redemption in an account; (ii) to reallocate funds to a different investment strategy; or (iii) to purchase investments that the Manager determines are appropriate for one account but not others.

Item 13 – Review of Accounts

At least monthly GCM conducts a full review of all of its accounts. These reviews are conducted by the Head of Portfolio Management and are attended by virtually all analysts



and other professionals involved in making investment decisions or otherwise managing a client's account. Substantively, account reviews will include performance of the account, adherence of the account to its investment mandates, potential transactions for the account and any other consideration that may be pertinent.

There is daily informal monitoring of accounts with the positions and trades of all accounts reviewed daily by the Head of Portfolio Management, relevant analysts and the Chief Compliance Officer.

Item 14 – Client Referrals and Other Compensation

Neither GCM nor any of its related persons compensate any person who is not an employee of GCM for client referrals.

Item 15 – Custody

GCM will not maintain custody of its clients' cash, securities or other investment assets [except with respect to client accounts where Glendon has been authorized to deduct fees]. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. GCM urges you to review carefully such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



Item 16 – Investment Discretion

GCM expects that it will usually receive discretionary authority from its client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, GCM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, GCM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to GCM in writing.

Item 17 – Voting Client Securities

The procedures by which GCM will vote your securities will be addressed in your individual Investment Management Agreements. As a matter of firm policy and practice, GCM leaves all voting securities matters up to the client. Clients should arrange with their custodian to receive proxy statements and similar materials directly.

However, upon request, GCM will provide its views on how securities should be voted, but will always do so with its fiduciary duty to the client as the guiding principle in providing such advice. Likewise, where an Investment Management Agreement specifies that GCM will vote a client's securities, GCM will do so with absolute regard to its fiduciary duty to endeavor to obtain the best outcome for its clients. If GCM is granted the authority to vote securities for a Client, we will adopt proxy voting policies as required by applicable law and make them available to Clients upon request.



Item 18 – Financial Information

GCM has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.