



INVESCO SENIOR SECURED MANAGEMENT, INC.

www.invesco.com

**Form ADV Part 2A
Firm Brochure**

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This brochure provides information about the qualifications and business practices of Invesco Senior Secured Management, Inc., a registered investment adviser located at *1166 Avenue of the Americas, 26th Floor, New York, New York 10036*.

If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer Lisa L. Gray at (212) 652-4274 or by email at lisa.gray@invesco.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.

Additional information about Invesco Senior Secured Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov

March 31, 2014

Item 2 - Material Changes

Invesco Senior Secured Management, Inc. made one material change since its last annual update to its brochure on March 31, 2013 to reflect Lisa Gray as its Chief Compliance Officer on July 31, 2013.

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Item 4 - Advisory Business

Firm Description

Invesco Senior Secured Management, Inc. ("ISSM") was founded in 1992. ISSM provides investment management services to commingled investment vehicles organized as collateral loan obligations ("CLOs"), affiliated mutual funds and other pooled vehicles, as well as institutional and other separately managed accounts.

Principal Owners

Invesco Advisers, Inc. is sole owner of ISSM. Invesco Ltd. is the ultimate parent company as owner of Invesco Advisers, Inc.

Types of Advisory Services

ISSM is a long-standing manager of various bank loan and credit opportunity strategies seeking current income with a short duration profile and low correlated returns. These strategies take advantage of Invesco's strength in analyzing and managing both public and private senior secured corporate loan obligations. ISSM offers various strategies utilizing bank loans and other assets that target specific marketing outcomes and unique credit market opportunities.

Client Restrictions

ISSM provides investment advisory services on a discretionary and non-discretionary basis managing client assets to their agreed upon terms. Levels of customization are available to clients depending on the vehicle they select. For example, separate accounts allow flexibility in guideline creation while the ISSM mutual funds are run to the definitions set forth in their Prospectus.

Assets Under Management

As of December 31, 2013, ISSM managed \$27.2 billion in assets for 48 clients, \$26.2 billion of which is managed on a discretionary basis and the remaining \$1.0 billion managed on a non-discretionary basis.

Item 5 - Fees and Compensation

Fees and account minimums are subject to negotiation. ISSM may waive the management fee on employee or other accounts. Existing clients of ISSM may have different fee arrangements from newer clients.

ISSM does not use side pockets to calculate client fees and all fees are negotiable.

Collateralized Loan Obligations (CLOs)

ISSM provides recommendations to purchase and sell certain investments in special purpose vehicles where ISSM acts as collateral manager (CLOs).

Fees to be charged with respect to a CLO are determined in cooperation with its distributors, prior to any investment in such CLO. The amount of such fees is calculated by the trustee or administrator of the CLO in accordance with the CLOs' constituent documents.

Mutual Fund Management

ISSM serves as the sub-adviser to affiliated mutual funds and fees for the funds are calculated based on valuation determined by ISSM's non-affiliated administrator subject to the overall supervision of the investment adviser.

For Invesco US Senior Loan Fund, Invesco Euro Senior Loan Fund and Invesco Global Senior Loan Fund, all sub-funds of Invesco Zodiac Funds, ISSM may choose to waive or rebate its entire fee or any portion thereof at its absolute discretion for an indefinite period. ISSM may pay a portion of its investment advisory fee to distributors, dealers or other entities that assist ISSM.

Complete information concerning each mutual fund that ISSM advises, including advisory and sub-advisory fees and expenses, is disclosed in the prospectus and statement of additional information for each such fund. All prospectus information can be obtained from Invesco's website: www.invesco.com.

Separately Managed Accounts

Fees for separately managed accounts are generally billed quarterly *in arrears* and are computed by applying 1/12th of the annual percentage rate to the ending month book values. The sum of the three monthly fees is the quarterly billing amount. Advisory fees charged typically range from 45 – 100 bps.

Private Pooled Vehicles

Fees for private pooled vehicles are individually negotiated. Factors considered when negotiating fees may include - any specialized guidelines, other performance fee arrangements with the client, clients with multiple

accounts or relationships with ISSM or its affiliates, off-shore relationships, and client account size.

Other Fees

ISSM does not provide custodial services and does not receive any portion of the custody fees resulting from the custodial services provided to its clients' accounts.

Termination of Agreements

Investment advisory services may be terminated by either party with written notice in accordance with the terms of the CLO or agreement with the client. CLOs may be terminated, and then liquidated, either because the entity has reached its originally intended duration or it is called. CLOs may also terminate according to the terms of the arrangements between the organizer or syndicator of the CLO and its underlying investors. Some of ISSM's contracts require 90 days' written notice, while others have no notification provisions. There are certain contracts with clients that have termination provisions that have been individually negotiated.

Upon termination, any unearned fee will be refunded to the client in accordance with the terms of the agreement with the client.

Item 6 - Performance-Based Fees

In addition to asset-based investment management fees, ISSM may accept performance-based fees for certain pooled investment funds and separately managed accounts, which may be managed side by side according to the same investment strategy with accounts and/or funds that do not pay such fees. These arrangements may create an incentive for ISSM to favor its performance-fee accounts when allocating desirable investment opportunities that would otherwise be suitable for non-performance fee accounts managed under the same strategy. Performance-based fees may also create an incentive for ISSM to make investments that are riskier or more speculative than those that might have been made in the absence of such fees. In order to manage these potential conflicts, ISSM has implemented policies and procedures reasonably designed to provide fair and equitable treatment of similarly situated clients. Under these policies and procedures, and consistent with its fiduciary obligations, ISSM will allocate investment opportunities among client accounts based upon a number of factors that may include, but are not limited to, investment objectives and guidelines, risk tolerance, availability of other investment opportunities and cash available for investment.

Item 7 - Types of Clients

ISSM advises banking institutions, registered investment companies, pooled investment vehicles, insurance companies, pension and profit sharing plans, charitable organizations, corporations, other investment advisers, and state or municipal government entities.

Account Minimums

The minimum account size for a separately managed account is **\$150 million** of assets under management. ISSM has the discretion to waive the account minimum. Accounts of less than \$150 million may be set up when the client and the adviser anticipate the client will add additional funds to the accounts within a reasonable time or to foster future relationships.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

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

Methods of Analysis

ISSM's analytical methods may include fundamental analysis, technical analysis, and cyclical analysis.

ISSM's investment style is a fundamental, credit-driven approach that evaluates default risk and principal preservation. We use a proprietary rating assigned to each investment that is intended to reflect our view on value at risk. Investment selection and portfolio construction seeks to balance the identified value against the specified investment objective of each managed fund.

Senior secured investment strategies require additional analyses relating to factors such as credit, cash flow, composition of capital structure, valuation of collateral, the covenant package, market liquidity and relative value of the financing to others available in the market.

ISSM uses research from third party vendors such as Markit, Bloomberg, Moody's, S&P and Thomson Reuters. All third party research providers are paid in cash.

Investment Strategies

ISSM invests in public and private debt instruments, primarily floating rate corporate loans and corporate bonds. In addition, ISSM may use total return swap arrangements to receive the economic benefit of some of the instruments described above at a negotiated cost to the client account.

Risk of Loss

Our investment approach constantly keeps the risk of loss in mind. ISSM clients may face the following investment risks:

- *Interest-Rate Risk* - Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk* - The price of a security, bond, or fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of an investment's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk* - When any type of inflation is present, purchasing power is eroding at the rate of inflation.
- *Currency Risk* - Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk* - The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk* - These risks are associated with a particular industry or a particular company within an industry.
- *Liquidity Risk* - Liquidity is the ability to readily convert an investment into cash.
- *Financial Risk* - Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 - Disciplinary Information

Settled Enforcement Actions and Investigations Related to Market Timing

On October 8, 2004, INVESCO Funds Group, Inc. ("IFG"), the former investment advisor to certain AIM Funds (known as the Invesco Funds), and Invesco Advisors, Inc. (known as Invesco Advisers, Inc. "Invesco Aim"), the AIM Fund's investment advisor and Invesco Aim Distributors, Inc. ("IADI") (now known as Invesco Distributors, Inc.) announced that final settlements had been reached with the Securities and Exchange Commission ("SEC"), the New York Attorney General ("NYAG"), the Colorado Attorney General ("COAG"), the Colorado Division of Securities ("CODS") and the Secretary of State of Georgia to resolve civil enforcement actions and investigations related to market timing activity and related issues in the AIM Funds, including those formerly advised by IFG. In their enforcement actions and investigations, these regulators alleged, in substance, that IFG and Invesco Aim failed to disclose in applicable Fund prospectuses for the AIM Funds that they advised and to the independent directors/trustees of such Funds that IFG and Invesco Aim had entered into certain arrangements permitting market timing of such Funds, thereby breaching their fiduciary duties to such Funds. As a result of the foregoing, the regulators alleged that IFG, Invesco Aim and IADI, the distributor of the retail AIM Funds and a wholly owned subsidiary of Invesco Aim, breached various Federal and state securities, business and consumer protection laws. Under the terms of the settlements, IFG, Invesco Aim and IADI consented to the entry of settlement orders or assurances of discontinuance, as applicable, by the regulators containing certain terms, some of which are described below, without admitting or denying any wrongdoing.

Under the terms of the settlements, IFG agreed to pay a total of \$325 million, of which \$110 million is civil penalties. The \$325 million total payment was paid in two equal installments in accordance with the terms of the settlement and the final payment was paid before December 31, 2005. Invesco Aim and IADI agreed to pay a total of \$50 million, of which \$30 million is civil penalties. The entire \$50 million payment by Invesco Aim and IADI was paid on November 8, 2004.

The entire \$325 million IFG settlement payment was made available for distribution to the shareholders of those AIM Funds that IFG formerly advised that were allegedly harmed by market timing activity, and the entire \$50 million settlement payment by Invesco Aim and IADI was made available for distribution to the shareholders of those AIM Funds advised by Invesco Aim that were allegedly harmed by market timing activity, in accordance with a methodology determined by Invesco Aim's independent distribution consultant, in consultation with Invesco Aim and the independent trustees of the AIM Funds and which was approved by the staff of the SEC on May 23, 2008.

On May 23, 2008, the Securities and Exchange Commission (SEC) posted its final approval of the plans for distributing market timing settlement proceeds to adversely impacted shareholders of the Invesco Funds, formerly AIM and Invesco Fund Shareholders. The AIM Fair Fund began distribution of settlement monies to impacted former shareholders on June 1, 2009; the last date a check was honored for payment was December 31, 2009. After receipt of SEC approval, undistributed residual amounts

left in the AIM Fair Fund were deposited in the appropriate funds. Final SEC approval to formally complete the disbursement was received on November 6, 2013. The Invesco Fair Fund began distribution of settlement monies to impacted former shareholders on December 11, 2009, and the distribution of checks concluded on September 21, 2010. The last day checks were honored for payment or wires issued were October 21, 2010. The two fair funds were distributed in accordance with a methodology determined by Invesco's independent distribution consultant (IDC Plan), in consultation with Invesco and the independent trustees of the funds and approved by the staff of the SEC. Obligations pertaining to the fair funds were completed Invesco Aim and IADI were censured. Invesco Aim and IADI were ordered to cease and desist from committing or causing violations of the Advisers Act and the Investment Company Act. Invesco Aim and/or IADI voluntarily undertook remedial actions, including maintaining a Board of Trustees that is 75% independents, designating an independent Chairman of the Board, maintaining independent legal counsel for the independent trustees holding elections of trustees at least every five years, cooperating fully with the SEC, maintaining a compliance and ethics oversight structure with an internal controls committee and ombudsman, retaining an independent compliance consultant, conducting periodic compliance reviews, and retaining an independent distribution consultant. On July 12, 2011 the SEC issued an order modifying the undertakings in the October 8, 2004 settlement order. The modifications relieved Invesco of its future obligations to continue to: (1) Undertake bi-annual third party compliance reviews,(2) Maintain an internal compliance controls committee, and (3) Conduct shareholders' meetings to elect the Board of Trustees at least every five years. All other provisions of the 2004 order remain in effect. IFG also paid \$1.5 million to the COAG to be used for investor education purposes and to reimburse the COAG for actual costs. Finally, IFG and Invesco Aim paid \$175,000 to the Secretary of State of Georgia to be used for investor education purposes and to reimburse the Secretary of State for actual costs.

None of the costs of the settlements were borne by the AIM Funds or by Fund shareholders.

In addition, under the terms of the settlements, Invesco Aim has undertaken to cause the AIM Funds to operate in accordance with certain governance policies and practices, including retaining a full-time independent senior officer whose duties will include monitoring compliance and managing the process by which proposed management fees to be charged the AIM Funds are negotiated. The AIM Funds have engaged Mr. Russell Burk as the senior officer, and he reports directly to the Chairman of the AIM Funds Board of Trustees.

Regulatory Action Alleging Market Timing

On August 30, 2005, the WVASC issued its Summary Order to Cease and Desist and Notice of Right to Hearing to Invesco AIM and IADI. The WVASC claims that Invesco AIM and IADI violated the West Virginia securities laws. The WVASC purports to order Invesco AIM and IADI to cease any further violations and seeks to impose monetary

sanctions, including restitution to affected investors, disgorgement of fees, reimbursement of investigatory, administrative and legal costs and an “administrative assessment” to be determined by the Commissioner. We believe this matter is indefinitely suspended.

Private Civil Actions Pending Against IFG, Invesco Aim and Related Entities and Individuals

A number of civil lawsuits related to market timing, late trading and related issues were filed against (depending on the lawsuit) certain of the AIM Funds, IFG, Invesco Aim, Invesco Ltd., certain related entities, certain of their current and former officers and/or certain unrelated third parties. All such lawsuits were transferred to the United States District Court for the District of Maryland (the “MDL Court”) for consolidated or coordinated pre-trial proceedings.

Other civil lawsuits were filed against (depending on the lawsuit) IFG, Invesco Aim, IADI, certain related entities, certain of their current and former officers and/or certain of the AIM Funds and their trustees alleging the improper use of fair value pricing, excessive advisory and/or distribution fees, improper charging of distribution fees on closed funds or share classes, improper mutual fund sales practices and directed-brokerage arrangements, and failure to participate in class action lawsuits. One suit alleging improper use of fair value pricing was settled and dismissed. The other was transferred to the MDL Court for pre-trial purposes. The suits alleging excessive fees were settled. The suits alleging improper charging of distribution fees on closed funds or share classes have been dismissed. The suits alleging improper mutual fund sales practices were dismissed with prejudice by the Court. The suit alleging failure of Invesco Aim to participate in class action lawsuits was dismissed with prejudice by the Court.

More detailed information concerning the lawsuits pending in the MDL Court, as well as all other civil lawsuits that have been served on IFG, Invesco Aim, the AIM Funds or related entities, or for which service of process has been waived as of a recent date, including the parties to the lawsuits and summaries of the various allegations and remedies sought, can be found in the Invesco Funds’ statements of additional information.

Item 10 - Other Financial Industry Activities and Affiliations

ISSM is an SEC-registered investment adviser affiliated with Invesco Ltd., a large global financial services firm that offers investment solutions to clients world-wide. As such, ISSM is affiliated with many other entities (“Affiliates”) within the Invesco global structure including broker-dealers, and registered/unregistered US and non-US investment advisers. ISSM’s funds are distributed by Invesco Distributors, Inc. a FINRA registered affiliated broker-dealer. Invesco Advisers, Inc., an affiliated registered investment

adviser provides marketing and certain administrative services to ISSM. ISSM may also use the analytical capabilities of analysts throughout the Invesco organization but the cost of these services is not passed through to ISSM clients and any potential conflicts of interest or breaches of proprietary information are monitored.

None of the Affiliates have relationships or arrangements in place with ISSM that are material to its business other than to serve as a conduit in various jurisdictions internationally.

Sub-Adviser Arrangements

ISSM provides investment sub-advisory supervisory services to affiliated registered investment companies (mutual funds), subject to the overall supervision of an affiliated investment adviser, Invesco Advisers, Inc.

Pooled Vehicles

ISSM or related persons may control or serve as collateral manager to certain limited partnerships, LLCs, or collateralized debt obligations. Invesco Asset Management (Bermuda) Limited, a Bermuda-based affiliated investment adviser, serves as a special shareholder that has sole proxy voting authority to a Cayman Island based corporation that ISSM serves as the investment adviser. ISSM senior management and certain related persons are members of the board of directors for this entity. ISSM or its employees do not receive directors' fees or other compensation for serving as a director to any entity, affiliated or otherwise.

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

ISSM and substantially all of our affiliates have a written Code of Ethics (the "Code") and Policy Statement on Insider Trading Prohibitions. The Code is administered by the compliance department. The Compliance department is responsible for interpreting the provisions of the Code, for adopting and implementing rules and procedures, for enforcing the provisions of the Code and for determining whether violations of the Code or of any such rules or procedures have occurred.

Pursuant to the Code, all ISSM employees, including members of the investments staff, are required to report to the compliance department the names of all personal brokerage accounts in which they have a direct or indirect beneficial ownership interest. Compliance uses an automated system in the daily monitoring of compliance with the Code. To address instances where ISSM is in possession of material non-public information ("MNPI"), the

company has adopted policies and procedures designed to wall off certain information that govern the activities of ISSM and its affiliates.

In addition, ISSM has adopted monitoring procedures that have been developed and designed to reasonably ensure compliance with federal securities laws. These procedures include the establishment of a restricted list and watch list, where securities placed on the restricted list limit ISSM's and its employees' trading activity due to the receipt of MNPI. The watch list is used to monitor investment activity of affiliated entities to reasonably ensure information does not flow to unintended individuals and affiliates.

ISSM is also walled-off from the public areas of the firm through physical walls with key card access. Only the most senior management of ISSM has access to public areas, and accounts over which these individuals either exercise discretion or have some other beneficial interest are subject to a heightened level of scrutiny.

ISSM and affiliates may recommend that clients buy or sell interests in the same investment products in which it or its related persons have some financial interest, including ownership. ISSM and/or its related persons may own, buy or sell for themselves the same securities that they may have recommended to clients. Examples are described below. Our policies and procedures are intended to identify these and other potential conflicts and to ensure that in all instances client interests come first.

ISSM Code of Ethics is available for review by clients and prospective clients upon request.

Investment of ISSM's Capital

Registrant or related persons may invest their own capital in securities or investment products in which clients and underlying investors in vehicles managed by ISSM may also have made investments, such as CDOs, bank loans, credit default swaps, as well as liquid securities including, but not limited to, US Treasury securities and corporate debt obligations, equity, fixed income and/or derivative or other similar investments, as well.

Employee Co-Investment Program

ISSM employees, officers or directors may be offered the opportunity to participate in a co-investment program with ISSM or an affiliate because of their employment with ISSM or an affiliate. Such opportunities include investments in both public and non-public securities as well as future products created and packaged by ISSM.

Conflicts

ISSM has discretionary authority to contract with any of ISSM's related persons to perform any services deemed necessary or appropriate in

connection with the investment management services provided to its clients. ISSM may recommend the purchase or sale of a security in which ISSM and related persons including its affiliates also have a position or interest in the same security or various classes of the same security. The investors in these issuers could have different rights that may be in conflict with decisions made by ISSM, related persons and affiliates in the event of a default or in a workout situation. These situations could potentially raise or give the appearance of an unavoidable and irreconcilable division of interests and responsibilities with respect to multiple parties. ISSM manages its clients' accounts in accordance with guidelines established through either an offering memorandum or directly with the client through a separate agreement including side letters

Item 12 - Brokerage Practices

Selecting Brokerage Firms

ISSM generally has the authority and responsibility to select brokers to execute client account transactions. In selecting the broker ISSM believes is most capable, the company will base its judgment principally on the broker's past performance.

Best Execution

ISSM selects brokers based on their ability to obtain best execution. In seeking best execution, ISSM considers reliability of the brokerage services, execution capability, a firm's financial responsibility, and the difficulty of specific transactions. ISSM weighs such factors in selecting brokers that ISSM believes are most capable of delivering the best reasonably available price.

ISSM reviews the execution of trades quarterly.

Soft Dollars

ISSM does not currently have any soft dollar arrangements.

There are no client accounts used to generate soft dollar credits and ISSM does not use clients' commissions as compensation to anyone in connection with the sale of any of its products. However, ISSM may execute with certain brokers or dealers that have provided research. This may cause clients to pay a higher commission than it could have otherwise obtained had another broker been selected.

ISSM does not make binding commitments as to the level of brokerage commissions it will allocate to a broker nor will it commit to pay cash if an informal target is not met.

Directed Brokerage

ISSM currently does not have any directed brokerage accounts. If ISSM were to accept such an account, it would not allow a client to direct more than 30% of its total transactions to any one broker.

Item 13 - Review of Accounts

Periodic Reviews

ISSM portfolio managers perform periodic reviews of portfolio composition for compliance with account guidelines and to managed cash positions. All cash positions are managed against individual account strategies, which are updated quarterly.

Where applicable, ISSM personnel conduct a second level of review that may require portfolio managers and operations personnel to provide daily, monthly and quarterly reviews regarding specific client account requirements. The frequency of reviews varies depending on the type of investment activity. Other conditions that may trigger a review are changes in tax laws, new investment information, market conditions, and changes in a client's situation.

Reports

Clients receive portfolio reports at least quarterly. These reports provide performance information, sector classifications, yield, income, portfolio composition, value, and a summary of all purchases and sales.

Item 14 - Client Referrals and Other Compensation

Solicitors

ISSM has ten solicitation arrangements in place for the Invesco Zodiac Funds as permitted by Rule 206(4)-3 of the Investment Advisers Act of 1940. Fees under these arrangements are paid by ISSM and not by the client. ISSM will not charge the referred client a higher fee to compensate for the fee it pays to the solicitor.

Item 15 - Custody

Pooled Investment Vehicles

ISSM may occasionally act as general partner and investment adviser to a limited partnership and therefore may be deemed to have custody of client assets. However, all clients' assets are held at qualified custodians and may be subject to an annual audit that is provided to clients within 120 days after fiscal year end.

Item 16 - Investment Discretion

Discretionary Authority for Trading

ISSM has discretionary authority to invest client portfolios including the amounts to be bought and sold, which broker-dealers to use, acceptable bid/ask spreads, or commission rates charged. Contract restrictions might include concentration limits, diversification criteria, liquidity requirements, maximum rates of turnover, specific asset allocations, prohibitions on investing in an issuer, class or sector, and direction to use specific broker dealers.

Aggregation of Orders

The same investment decision may be made for more than one client account managed by ISSM. In those circumstances when multiple purchase and sell orders of the same class of security are received at the same time for different accounts, the orders for such transactions may be combined in order to seek best execution. Orders partially filled will, as a general matter, be allocated pro rata in proportion to each account's original order or account size, although exceptions may be made to avoid odd lots and de minimis allocations. Execution prices for a combined order will generally be averaged so that each participating account receives the average price paid or received.

There is no certainty that allocation processes will in fact result in fair allocations, or that the investments will be allocated to all clients equally. However, ISSM intends to allocate on a fair and equitable basis so that no one client account is systematically advantaged.

Trade Allocations

In discharging its fiduciary duty to reasonably ensure that all client accounts are treated fairly and equitably so that no one client account is favored, ISSM has adopted allocation procedures to guide both new and existing investment opportunities across its client base.

The allocation of investments across clients' accounts (portfolios or funds) is largely driven by thresholds established by the Investment Committee ("Committee") for new issue and secondary trading activity. Secondary trading activity is subject to additional discretionary determinations such as suitability, portfolio guidelines and uncommitted cash positions.

The Committee reviews analysts' recommendations for the potential purchase of new issues. It must also decide the suitability of each investment opportunity and on a global exposure limit for (i) aggregate exposure across all portfolios, (ii) types of portfolios (e.g., leveraged, non-leveraged, etc.), and (iii) individual portfolios that may supersede broader fund type strategies.

ISSM's Aggregation and Allocation of Investment Opportunities Policy is available for review by clients and prospective clients upon request.

Cross Transactions

Cross trades among client accounts and principal transactions between an adviser and a client are subject to procedural restrictions or prohibited by various laws and regulations, including the Advisers Act, the 1940 Act and ERISA. Pursuant to Rule 206(3)-1 of the Advisers Act, an investment adviser may engage in principal transactions with certain clients if it discloses the transaction to the client in writing and obtains the client's consent for each transaction at or before the completion of the transaction.

For ISSM's clients that are registered investment companies, it may effect cross transactions where one portfolio is buying and the other portfolio is selling, pursuant to procedures adopted under Rule 17a-7 under the Investment Company Act of 1940.

Item 17 - Voting Client Securities

ISSM does not generally vote proxies on behalf of its clients' accounts, as proxy voting is not applicable to the bank loan asset class. However, we may occasionally participate in a loan workout or creditor committee and ISSM will represent its clients' long term best economic interest without regard for its own personal interest.

In the event ISSM is ever required to vote a proxy on behalf of a client account due to a spin-off of securities received from a reorganization or a bankruptcy, we will vote all proxies in accordance with its policy of seeking its clients' best long term economic interest.

Item 18 - Financial Information

ISSM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

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