

**Item 1. Cover Page**

**GARRISON LOAN MANAGEMENT LLC**

**Part 2A of Form ADV: Firm Brochure**

1290 Avenue of the Americas  
Suite 914  
New York, NY 10104

Contact:  
(212) 372-9500  
Julian Weldon, Chief Compliance Officer

[www.garrisoninv.com](http://www.garrisoninv.com)

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**This brochure provides information about the qualifications and business practices of Garrison Loan Management LLC. If you have any questions about the contents of this brochure, please contact us at (212) 372-9500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Registration with the SEC does not imply a certain level of skill or training.**

Additional information about Garrison Loan Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

There are no material changes to report.

### **Item 3. Table of Contents**

#### **Table of Contents**

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

Garrison Loan Management LLC (the registrant together with its relying advisory entities referred to as “GLM”, “we” or “our”), formed in 2013, is an investment advisory firm specializing in providing collateral asset management services to collateralized loan obligation investment vehicles (“CLOs”) through its direct subsidiaries. All of GLM’s direct and indirect subsidiaries rely on its registration with the SEC and conduct their operations as registered investment advisers.

GLM is wholly owned by its Chief Executive Officer, Brian Chase.

GLM is affiliated with Garrison Investment Group LP, a Delaware limited partnership, and Garrison Investment Management LLC, a Delaware limited liability company under common control with Garrison Investment Group LP (collectively, “GIG”), which are SEC-registered investment advisers. As of March 31, 2014, GIG managed approximately \$4.7 billion of discretionary assets and approximately \$28 million of non-discretionary assets. GIG commenced operations in May 2007. GIG provides investment advisory services on a discretionary basis to privately offered open-end and closed-end funds.

GLM is also affiliated with Garrison Capital Advisers LLC, a Delaware limited liability company (“GCA”). As of December 31, 2013, GCA managed \$485,079,814 of discretionary assets. GCA commenced operations in November 2010. GCA provides investment advisory services on a discretionary basis to Garrison Capital Inc., a publicly listed Business Development Company.

In GLM’s capacity as collateral manager to the CLOs, we control the management of the collateral supporting certain debt obligations issued by the CLOs. The collateral generally consists of debt obligations, secured and unsecured claims, any equity securities acquired as part of a unit consisting of both a debt obligation and an equity security, and certain derivative instruments. We perform numerous administrative and advisory functions with respect to the collateral, including selecting the portfolio of collateral and instructing the trustee with respect to any acquisition, disposition or reinvestment of proceeds of the collateral.

As of February 28, 2014, GLM managed \$170,183,094 of Client assets on a discretionary basis.

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

GLM receives a base collateral management fee and, in some instances, a subordinated collateral management fee. These fees are equal to a certain percentage of the aggregate unpaid principal balance, determined as of each payment date. The trustee of each CLO generally remits the collateral management fees quarterly in arrears, from interest collections associated with the applicable CLO.

In some instances, we also receive an incentive management fee with respect to collateral interest and collateral principal collections available as of each payment date, in certain instances subject to a hurdle.

Detailed information concerning compensation and fee arrangements is contained in the offering circular or other governing documents of each CLO.

Neither GLM nor any of its members or employees (“**Employees**”) receives any transaction-based compensation for the sale of securities or other investment products.

The CLOs may incur a variety of expenses which may include the following: rating agency expenses, underwriting and placement agency expenses, legal expenses, trustee expenses, tax related expenses, appraisal related expenses, administrator expenses, accounting related expenses, asset acquisition/ holding/ monitoring/ amendment/ default/ restructuring/ bankruptcy related expenses, brokerage expenses, and other expenses that may arise.

#### **Item 6. Side-by-Side Management**

GLM has adopted and applies investment allocation policies designed to achieve equitable allocation of investment opportunities among its Clients over time. Specifically, our allocation policy prevents us from taking compensation into account when allocating investment opportunities.

#### **Item 7. Types of Clients**

GLM provides investment advice to CLOs.

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

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

##### ***CLO Vehicle***

During the “ramp-up” stage of CLO portfolio construction, GLM assembles a collateral portfolio consisting primarily of debt obligations, secured and unsecured claims (including secured or unsecured loans or bonds issued by corporations, structured products and other privately issued obligations), swaps and derivatives and other eligible instruments in each case meeting the investment guidelines, qualification and rating requirements specified in each respective offering circular. GLM manages collateral through the maturity of debt obligations issued by the CLOs. GLM’s ongoing functions with respect to the CLOs include, instructing the trustees with respect to any acquisition, disposition or sale of the collateral, including reinvestment of proceeds during the reinvestment period.

Individual investment positions are researched by one or more senior analysts, then discussed with the portfolio manager(s) in an iterative fact-finding process. Research includes extensive proprietary qualitative and quantitative analysis and is supplemented by reports from sell-side firms, independent analysts and industry consultants; fundamental due diligence with companies and their partners, customers and competitors; event-oriented discussions with attorneys, lenders, accountants, investment bankers and other investors, and; review of public filings, including bankruptcy filings.

### ***Material Risks of GLM's Investment Strategies***

The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of the Clients' investments. This summary does not attempt to describe all of the risks associated with an investment in a CLO. Although no summary can fully describe all of the risks associated with such an investment, the offering circular for a CLO contains a more complete description of the risks associated with an investment in that CLO.

*Material Risks Associated with Investment in Collateral Obligations by a CLO.* The assets of each CLO consist primarily of non-investment grade, middle market leveraged loans and participation interests (the "**Assets**" or "**Collateral Obligations**"). In addition to the risks described herein with respect to GLM's strategy, an investment in a CLO is also a leveraged and structured investment. Each CLO's Assets are subject to the lien of an indenture and each CLO is limited in its ability to purchase and sell Assets.

*General Economic Conditions.* After the economic malaise of the 2008-2009 period, corporate issuers have achieved better fundamental performance and have improved their general creditworthiness. During the 2010-2012 period credit defaults have declined significantly and now stand at below than 2%. It is difficult to predict how long and to what extent these conditions may improve and which markets, products, businesses and assets may experience this improvement (or to what degree any such improvement is dependent on monetary policies by central banks, particularly the Federal Reserve System).

*Non-Investment Grade/Unrated Investments; Pricing.* The Assets will consist primarily of non-investment grade or unrated loans or interests in non-investment grade or unrated loans, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Assets generally will be subject to greater risks than investment grade corporate obligations. Prices of the Assets may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to: changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, liquidity in the Assets, the value of the collateral securing the Assets and the financial condition of the obligors of the Assets.

*Non-Investment Grade/Unrated Investments; Default.* Issuers of non-investment grade debt are more likely to default on their payments of interest and principal, and defaults could have a materially adverse effect on the CLOs' performance. An economic downturn would generally lead to a higher non-payment rate, and an Asset may lose significant market value before a default occurs. Middle market loans may have default rates that differ (and may be greater) than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced.

*Investing in Middle Market Loans Involves Certain Risks.* The obligors of the Collateral Obligations will primarily be medium or small-sized businesses, the majority of which will be privately-owned. There is generally no publicly available information about these businesses. Some obligors may not meet net income, cash flow and other coverage tests typically imposed by lenders. Numerous factors may affect an obligor's ability to repay its

related Collateral Obligation, including the failure to meet its business plan, a downturn in its industry or continuing unfavorable general economic conditions. A deterioration in an obligor's financial condition and prospects may be accompanied by deterioration in the collateral securing the Collateral Obligation. Such deterioration might impair the ability of the obligor thereof to obtain refinancing or force it to seek to have the related Collateral Obligation restructured.

Loans to middle market businesses may carry more inherent risks than loans to larger, publicly-traded entities. Middle market companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Accordingly, loans made to middle market companies may involve higher risks than loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources. Middle market businesses typically have narrower product lines and smaller market shares than large businesses. Therefore, they tend to be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These businesses may also experience substantial variations in operating results. The success of a middle market business may also depend on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on the obligor.

The Collateral Obligations will generally be secured by substantially all of the assets of the related obligors. Often, deterioration in an obligor's financial condition and prospects will be accompanied by deterioration in the value of the collateral securing the related Collateral Obligation, if any, by an inability to obtain refinancing and/or by the need to restructure the Collateral Obligation. These conditions may make it difficult for the CLO to obtain repayment of the applicable Collateral Obligation.

*Investing in Second Lien Loans Involves Certain Risks.* The Assets may include certain second lien loans, each of which will be secured by a pledge of collateral that is subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the obligors that are secured by all or a portion of the same collateral. Second lien loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a second lien loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the obligors. In addition, during a bankruptcy of an obligor, the holder of a second lien loan may not be required to give advance consent to (a) any use of cash collateral approved by the first lien lenders; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

*Illiquidity.* We may make investments in bank loans or other assets that are not readily marketable or that cease to be readily marketable after we make our investment. This could make it difficult for us to realize the value that we ascribe to an investment if we are forced to dispose of it in an inactive market.

*Risks of Bankruptcy.* There is a significant risk that one or more of the obligors on the Assets may enter bankruptcy proceedings. Such proceedings may result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the related Asset. There are a number of significant risks inherent in the bankruptcy process. *First*, rulings in a bankruptcy case are the product of adversary proceedings determined by a court with equitable powers, and are beyond the control of specific creditors. *Second*, a bankruptcy filing may adversely and permanently affect the obligor making such filing. The obligor may lose its market position, key employees, relationships with important suppliers, access to the capital markets or other sources of liquidity and otherwise become incapable of restoring itself as a viable entity. If for this or any other reason, a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the obligor may not equal the liquidation value that was believed to exist at the time of purchase of the Asset. *Third*, the duration of a bankruptcy case is difficult to predict. A creditor's return on investment can be adversely affected by delays while a plan of reorganization is being negotiated, approved by parties in interest and confirmed by the bankruptcy court until it ultimately becomes effective. For example, in general, unsecured creditors' claims for interest accrued between the bankruptcy filing and a reorganization plan's consummation are not allowed. *Fourth*, the administrative costs of the obligor and official committees in connection with the bankruptcy case are frequently high and will be paid out of the obligor's estate prior to any return to general unsecured creditors. If the bankruptcy case involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to such administrative costs; a creditor's costs in monitoring and enforcing its investment also may substantially increase. Certain claims that have priority by law (for example, claims for taxes) also may be significant. *Finally*, under certain circumstances, creditors' claims against bankrupt or insolvent entities may be subject to equitable subordination or recharacterization as equity (particularly where the creditor is an insider or otherwise controls the debtor), and transfers made to creditors may be subject to avoidance and disbursement as preferences or fraudulent conveyances.

*Competition.* The success of our investments may depend on our ability to identify or exploit opportunities more efficiently than other market participants. Our ability to do so may be adversely affected by the highly competitive nature of the asset management industry.

### ***Material Structural Risks of a CLO***

*Limited Liquidity and Recourse.* An investor's investment in a CLO is subject to the structure and terms of each CLO. Investors should have no expectation of a secondary market in notes issued by a CLO, or that markets would provide investors with liquidity. The notes issued by a CLO are limited recourse obligations; investors must rely on available collections from the collateral pledged by a CLO, as issuer, pursuant to the indenture and will have no other source of payment.

*Subordination.* Payments on the senior-most class(es) of the CLOs' securities are subordinate to the payment of certain fees and expenses payable by us to other parties pursuant to the indenture. Payments of principal and interest on any junior class of securities are subordinated under the priority of payments to payments on any senior class of securities. To the extent any losses are suffered by any securities, those losses will be borne by each class of securities in order of subordination. Accordingly, any class of securities may not be paid in full and may be subject to



100% loss. In addition, the most subordinated class(es) of interests in CLOs' securities represent highly leveraged investments and will be most affected by any changes of market value of the collateral, including, but not limited to, defaults, prepayments and other risks associated with the collateral.

*Remedies.* If an event of default occurs under a CLO indenture, the controlling class (generally the most senior class of notes then outstanding) will generally be entitled to determine the remedies to be exercised under the indenture. The interests of the controlling class of a CLO may be adverse to those of the subordinated classes, and in pursuing this interest the controlling class will have no obligation to consider any possible effect on other interests. In addition, the junior-most class of securities is not generally entitled to exercise remedies under the indenture, nor is the trustee generally obligated to act on behalf of the holders of those securities.

*Sale of Collateral Upon Default on the Securities.* If an event of default occurs under a CLO indenture, there can be no assurance that the proceeds of any sale of collateral will be sufficient to pay in full transaction expenses and principal and interest on the securities.

*Reinvestment risk.* In certain circumstances, certain funds of a CLO will be reinvested in additional or substitute Assets. A number of factors, including the need to satisfy certain reinvestment criteria set forth in a CLO's indenture, may result in a lower yield on additional or substitute Assets. In addition, due to significant restrictions set forth in a CLO's indenture on the ability to buy and sell collateral, a CLO may be unable to buy or sell obligations or take other actions which might be in the best interests of the security holders in the absence of these restrictions.

## **Item 9. Disciplinary Information**

GLM has no legal or disciplinary events to report that would be material to a Client's or prospective Client's evaluation of GLM's advisory business or the integrity of their management.

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

GLM and its affiliated investment advisers, GIG and GCA (collectively, "**Garrison Group**"), advise numerous private funds and CLOs. Each of these entities is separately registered as an investment adviser with the SEC, and information concerning each entity and its relying advisers (if any) is included in its own Form ADV. Our investment professionals participate in managing the portfolios of more than one advisory client and may work simultaneously for GLM and one or more of its affiliated investment advisers. As a result, they do not devote their exclusive attention to any single advisory client.

GLM Clients and advisory clients advised by GIG or GCA may compete for the same investment opportunities, and a conflict may arise. Theoretically, to the extent each of these advisory clients have different compensation provisions, the Garrison Group could have an interest in favoring the advisory clients that are most likely to pay performance compensation. We seek to act fairly when allocating investment opportunities and have adopted policies to address the principles of investment allocation and co-investment among the advisory clients of GLM, GIG and GCA to ensure fair allocations over time. In particular, our policy prevents us

from taking into account fee or other compensatory differences in allocating an investment opportunity. For more details, see Section 12 *Trade Aggregation and Allocation*.

We or our affiliated investment advisers may, from time to time, come into possession of material nonpublic information that limits our ability to make an investment for our Clients, and our Clients' investments may be constrained as a consequence of our inability to use this information for advisory purposes or otherwise to effect transactions that we could have initiated on behalf of our Clients in the absence of such information. GLM seeks to minimize restrictions when possible, consistent with applicable law and its internal policies, but our efforts may not be successful and as a result, restrictions may occur.

GLM is affiliated with a broker-dealer, Garrison Securities LLC, whose limited purpose is to market the interests in the advisory clients of the Garrison Group and of third party investment advisers.

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

### *Code of Ethics*

As an investment adviser, GLM owes a fiduciary duty to its Clients. Accordingly, GLM and their Employees must not act or behave in any manner or engage in any activity that (i) creates even the suspicion or appearance of the misuse of material non-public information, (ii) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any Client or (iii) creates any undisclosed and/or unaddressed conflict of interest, between any Client, on the one hand, and GLM or any employee, on the other hand, or between Clients. GLM seeks to foster and maintain a reputation for honesty, integrity and professionalism.

GLM has adopted a Code of Ethics that sets forth standards of ethical and business conduct expected of GLM's personnel and addresses conflicts that may arise from personal trading by such personnel. The Code of Ethics, among other things, requires compliance with the federal securities laws, reflects GLM's fiduciary responsibilities and those of their advisory personnel, prohibits certain personal securities transactions, requires GLM's personnel to periodically report their personal securities transactions and to preclear certain securities transactions and addresses prevention of the misuse of material nonpublic information. The Code of Ethics will be provided to any Client upon request.

### *Principal Transactions and Cross Trades*

GLM on occasion may engage in principal transactions with Clients. A principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client's account. GLM will conduct all principal transactions according to the disclosure and client consent requirements of Section 206(3) of the Advisers Act. The precise application of these disclosure and consent requirements may depend on the nature of the Client and the transaction. GLM must determine that any principal transaction is in the best interest of the participating Client.

GLM may determine that it is in the best interests of two or more Clients to transfer a security from one Client to another for tax purposes, liquidity purposes or to reduce transaction costs that may arise in an open market transaction (a “*Cross Trade*”). Cross Trades, which may or may not constitute principal trades, will be conducted in accordance with GLM’s fiduciary responsibility to each participating Client, must be in the best interest of each participating Client and must be consistent with GLM’s duty to seek best execution. GLM will rely on their valuation procedures to determine the appropriate price to effect the transaction.

## **Item 12. Brokerage Practices**

*Best Execution.* GLM has full discretionary authority to direct trades for the CLO. While the transactions in which GLM engages do not typically require the use of broker-dealers, to the extent a broker-dealer is used by GLM to execute securities transactions for any Client, GLM is subject to a duty to seek best execution for such securities transactions.

In selecting broker-dealers, GLM will use its reasonable efforts to obtain best price and execution and will consider such factors, for example, as (i) quality of execution, (ii) any conflicts of interest regarding a trading counterparty, (iii) reputation, financial strength and stability of the broker-dealer, (iv) overall costs of a trade and (v) willingness to execute difficult transactions. To the extent applicable, GLM will also consider the above factors in selecting and approving counterparties that may be used in connection with transactions for Client accounts.

GLM need not solicit competitive bids and has no obligation to seek the lowest possible commission cost. Accordingly, if GLM determines in good faith that the amount of commissions or other compensation charged by a broker-dealer is reasonable in relation to the value of the brokerage and products or services provided by the broker-dealer, the Client may pay commissions or other compensation to such broker-dealer in an amount greater than the amount another broker-dealer might charge. Research obtained from or paid by a broker-dealer may be used by GLM to service Client accounts other than the Client that generated the commission. Where a product or service obtained with commission dollars provides both research and non-research assistance to GLM, GLM will make a reasonable allocation of the cost that may be paid for with commission dollars.

*Soft Dollar Benefits.* GLM currently has no soft dollar arrangements. However, GLM may use full-service broker-dealers that provide research or other products or services to most or all of their customers, without being requested to do so, and GLM may on occasion receive and use research provided by these broker-dealers. In this situation, GLM receives a benefit because they do not have to produce or pay for the research. GLM may have an incentive to select broker-dealers based on their interest in receiving the research or other products or services, even though no soft dollar arrangements are in place, rather than on GLM's Clients' interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided by most broker-dealers with which GLM deals, GLM's receipt of such research does not have a material effect on GLM's selection of broker-dealers. GLM does not separately compensate such broker-dealers for the provision of such services and do not believe that they "pay up" for such services. The research received is used for the benefit of all GLM Clients.

*Trade Errors.* Trade errors may occasionally occur with respect to trades executed on behalf of a Client. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, the correct security is purchased or sold but for the wrong account, or the wrong quantity is purchased or sold. Trade errors frequently result in losses but may occasionally result in gains. GLM will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker-dealer, GLM will strive to recover any losses associated with such error from the third party. GLM will determine whether any trade error has resulted from the gross negligence, willful misconduct or bad faith of GLM, and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the applicable Client. If a trade error occurs, GLM will make a good faith determination regarding the cause of the error. However, in making such a determination, GLM will have a conflict of interest.

*Trade Aggregation and Allocation.* Where appropriate, transactions for our Clients and advisory clients of our affiliated investment advisers may be aggregated for execution purposes. This aggregation does not ordinarily adversely affect commissions charged and execution prices on the transactions. In addition, GLM's Clients' accounts may be included in the aggregated orders with clients of GLM's affiliated advisers. The Garrison Group generally effectuates aggregated orders for all accounts according to a pre-determined allocation methodology whereby clients receive an average price and are assessed a fixed commission charge. Circumstances involving partial fills may arise whereby the Garrison Group may determine that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for more than one advisory client, there is a limited supply or demand for the security or other investment. If each of these orders cannot be fully executed under prevailing market conditions, the Garrison Group may allocate among its clients the securities and other assets traded in a manner which it considers equitable, taking into account the size of the order placed for the clients as well as any other factors which it deems relevant. Where an investment opportunity is suitable for two or more advisory clients of the Garrison Group, allocations of investment opportunities will be made among advisory clients in a fair and equitable manner, and in determining such allocations, the following factors, among others, will be considered: the relative size of a client's account, available cash for investment, investment objectives and restrictions, investment horizons, liquidity considerations, legal and regulatory restrictions, purchases or sales to reach target positions, availability of trading accounts for all clients, risk tolerance, the possibility to

participate in future investment opportunities, leverage limitations, and the expected capacity of the client. None of GLM nor its affiliated investment advisers is required to ensure equality of treatment among any of its clients and, therefore, there can be no assurance that a purchase or sale opportunity that would be suitable for one advisory client will not be allocated to another client.

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

*Review of Accounts.* GLM will review, as pertinent, each Client's portfolio holdings to determine that the investments held by each Client remain consistent with the pertinent offering documents, collateral management agreement and/or indenture and will generally review each Client's performance on an ongoing basis. Pursuant to the indenture governing the notes issued by the CLOs, the trustee is required to make certain monthly and other periodic reports regarding the collateral. However, the CLOs do not provide annual reports. GLM assists the trustee in preparing periodic reports as required by the indenture and the collateral management agreement between us and our Client.

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

GLM may enter into compensation arrangements with third party solicitors for new advisory business. Any solicitation arrangements will comply with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended.

GLM may select one or more placement agents, on an exclusive or non-exclusive basis, to offer Client interests. GLM currently intends to compensate any such placement agents out of the proceeds of the debt obligations issued by the applicable CLO.

### **Item 15. Custody**

GLM does not have actual or constructive custody of any CLO's assets. Each Client establishes accounts with its own qualified custodian and receives account statements directly from the qualified custodian. We urge our Clients to carefully review the statements they receive from their qualified custodians and compare them with the periodic reports we issue.

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

GLM provides discretionary investment advisory services to the CLOs. GLM may make investment decisions, without consultation with the CLO or CLO investor, regarding which securities are bought and sold for the CLO, the total amount of the securities to be bought and sold, the broker-dealers (if any) with which orders are placed for execution and (as applicable) the commission rates at which securities transactions are effected. However, GLM provides all investment advisory services in accordance with the applicable provisions of the Collateral Management Agreement and the Indenture.

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

The CLOs rarely invest in equities and as a result, even though GLM has authority to vote proxies on behalf of its Clients, it does so infrequently. In the event GLM votes a proxy, we do so in accordance with GLM's written policies.

**Item 18. Financial Information**

GLM has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.