

NAPIER PARK GLOBAL CAPITAL LTD

FORM ADV PART 2A – DISCLOSURE BROCHURE

March 31, 2015

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This brochure provides information about the qualifications and business practices of Napier Park Global Capital Ltd. If you have any questions about the contents of this brochure, please contact us at +44 20 7866 4731. 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 Napier Park Global Capital Ltd. is also available on the SEC's website at www.adviserinfo.sec.gov. Napier Park Global Capital Ltd. is an SEC-registered investment adviser. Being a registered investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

This Item 2 includes only material changes since the last annual update of this Brochure. The last brochure was dated March 28, 2014.

Napier Park Global Capital Ltd. (“Napier Park”) appointed Stephanie Shepard Cobb as the General Counsel and Chief Compliance Officer effective as of June 30, 2014.

No other material changes to report.

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Item 4 Advisory Business

Napier Park Global Capital Ltd. is a wholly-owned subsidiary of Napier Park Global Capital LP. Citigroup Inc. owns a non-controlling minority interest in Napier Park Global LP and the remainder is owned by employees of Napier Park's affiliates. Napier Park is authorized and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom and is passported into the European Union to engage in advisory and portfolio management activities. Napier Park provides advisory services and investment advice to private investment companies including hedge funds (together "Funds" and each a "Fund"). Napier Park also provides advisory services and investment advice on a discretionary or non-discretionary basis to separately managed accounts (together "Managed Accounts" and each a "Managed Account"; Managed Accounts together with Funds, "Alternative Investments"). Investors in these Alternative Investments include institutional investors, funds of funds, pension plans and state, municipal and governmental entities.

A number of fixed income strategies may operate through Napier Park or its affiliates. At present Napier Park provides investment management services for the Alternative Investment described below.

Services Provided

Currently, the European credit team (the "ECT") is the only strategy within Napier Park. The ECT focuses on European corporate credit, managing fixed income investments in European loans, bonds and structured credit for Alternative Investments. In the future, Napier Park may manage a range of fixed income products with varying degrees of risk, return and diversification profiles (including hedge funds and separate accounts) with the ability to customize solutions.

Napier Park uses an integrated product development, investment management, risk, operations and technology platform that draws upon professionals who have experience in investments, research, structured finance, liability management, risk analytics, client servicing, operations, technology, legal and accounting.

Funds

Napier Park manages Funds on a discretionary basis, employing the strategy and infrastructure described above.

Managed Accounts

Napier Park provides investment advice to separately Managed Accounts. The Managed Accounts may be managed on a fully discretionary basis ("Discretionary Managed Accounts") or a non-discretionary basis ("Non-Discretionary Managed Accounts").

With respect to a Discretionary Managed Account, Napier Park and its affiliates enter into an advisory agreement with the client pursuant to which Napier Park constructs and manages, on a discretionary basis, the Discretionary Managed Account. With respect to a Non-Discretionary Managed Account, Napier Park and its affiliates enter into an advisory agreement with a client pursuant to which Napier Park provides investment advice relating to private investment funds and

constructs, on a non-discretionary basis, the Non-Discretionary Managed Account's portfolio. Individual agreements may provide for other services to be provided by Napier Park which may include: overall allocation advice, due diligence services, certain account consolidation, analytical and reporting services and certain administrative services. Affiliates or third parties may be retained by the Managed Account clients or Napier Park to provide administrative, custodial or other services to the Managed Accounts.

In constructing a Managed Account portfolio, Napier Park first considers and assesses the Managed Account client's financial goals, investment objectives, investment time horizon, and investment preferences. Napier Park expects that, in most cases, Managed Accounts will follow strategies similar to the Funds it advises, as described above. See Item 8 "Methods of Analysis."

Particular Investment Restrictions

Individual investors in the Funds are not consulted in the design or implementation of such Fund's investment programs. Each Fund's account documentation describes that Fund's investment program.

With respect to Managed Accounts, each advisory agreement and the related account documentation specifies the particular investment program and any related investment restrictions. Generally, each Managed Account is customized to reflect a particular client's investor profile.

Assets under Management

As of December 31, 2014, Napier Park had approximately \$405,998,000 in discretionary assets under management and \$43,795,174 in non-discretionary assets under management based on December 31, 2014 gross assets under management.

Item 5 Fees and Compensation

Napier Park's fee schedule is available upon request.

Fees Charged

Funds

The Funds pay Napier Park a management fee and, in certain cases, an incentive fee or incentive allocation (if earned). Fees earned with respect to a Fund may compensate Napier Park or its affiliates for the provision of certain ancillary services, the responsibility for all or a portion of which may be subcontracted to other parties. The amount of fees to be paid by a Fund is set forth in the offering materials for that Fund.

Managed Accounts

The investment advisory agreement and account documentation relating to each Managed Account specifies the fees payable to Napier Park. Such fees may include management fees and incentive fees. Napier Park may share a portion of such fees with certain sales or referral agents.

Napier Park or its affiliates may provide certain administrative services related to the support of the Managed Accounts for fees.

Method of Payment of Fees

The Funds pay management and incentive fees at such times and in such manner specified in their respective documentation. Such fees will be deducted from the relevant Fund and reflected in an investor's net asset value per share or capital account, as applicable.

Management fees and incentive fees in respect of any Managed Account are paid as set out in the respective documentation for the relevant Managed Account and may be customized.

Additional Compensation Received by Affiliates

Affiliates of Napier Park may have relationships with, and provide certain services to, an Alternative Investment for which Napier Park receives compensation.

Additional Fees and Expenses

As described in more detail in its respective offering or account documentation, each Alternative Investment bears its organizational and initial offering expenses and its operating and other expenses, which may include, but is not limited to, direct investment-related expenses (e.g., custodial fees, interest expense, consulting and other professional fees relating to particular investments), reporting and legal expenses, accounting, audit and tax preparation expenses, ongoing expenses relating to the offering and sale of interests in such Alternative Investment, remuneration to directors or managing members, as applicable, insurance, administrator fees, liability insurance premiums, any extraordinary expenses and other similar expenses related to such Alternative Investment.

As described in more detail in each client's advisory agreement and related account documentation, each Managed Account client may incur other costs and charges in certain circumstances (for example where individual securities are held in the Managed Account).

Compensation of Napier Park Personnel

Napier Park's personnel or supervised persons do not receive commissions tied directly to the sale of any particular securities or other investment products advised by Napier Park in the form of asset-based sales or services fees.

Payment of Fees in Advance and Arrears

All fees currently payable to Napier Park with respect to Funds are payable in arrears. Fees for Managed Accounts are generally payable in arrears as specified in such Managed Account's relevant documentation.

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

Napier Park and its affiliates receive performance-based fees from certain Alternative Investments. Any performance fees charged by Napier Park will comply with the requirements of Section 205 of the Investment Advisers Act of 1940 (the "Advisers Act") and all applicable rules thereunder. Performance-based fees may create an incentive for Napier Park to make investments on behalf of Alternative Investments that are riskier or more speculative than would be the case if Napier Park did not receive a performance-based fee, or for Napier Park to direct investments in favor of Alternative Investments paying performance-based fees over those without such fees. Please refer to Item 11 "Code of Ethics Participation in Client Transactions and Personal Trading" and Item 12 "Brokerage Practices" for a discussion of conflict management procedures, incentive compensation arrangements, managerial review and oversight and allocation policies applicable to Napier Park, all of which are intended to mitigate conflicts. Alternative Investments are also charged fixed fees, including asset-based fees.

Item 7 Types of Clients

Napier Park provides investment advice to Alternative Investments which consist of funds, managed accounts and other investment entities. However, the ultimate investors in Alternative Investments advised by Napier Park typically are institutional investors, funds of funds, pension plans, and state, municipal and governmental entities.

Funds

Ultimate investors in each Fund are required to make a minimum capital commitment generally ranging between \$250,000 and \$10,000,000 depending on the product. The minimum for a specific Fund will be set forth in the offering materials for that Fund.

Managed Accounts

With respect to Managed Accounts, the clients are the holders of the Managed Accounts. Napier Park expects that such clients may include individuals, trusts, institutions, investment funds and pension plans. Napier Park generally requires a minimum investment of \$50 million for both Discretionary Managed Accounts and Non-Discretionary Managed Accounts.

At its discretion, Napier Park may accept lower capital commitments from an investor in a Managed Account operated through Napier Park.

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

Investment Strategy and Method of Analysis

The following statements in relation to Napier Park apply in respect of the ECT which manages Napier Park's European credit strategies, focusing on European corporate credit.

The investment strategy is to invest opportunistically in European corporate credit-related instruments including, but not limited to, investment grade and high yield bonds, leveraged loans and CLO tranches. It may also invest in post-reorganization equity or equity-like instruments that result from or are related to a corporate restructuring.

The ECT takes a value-oriented approach to investing and seeks current income and capital appreciation by investing principally in obligations of corporate issuers facing operational or financial difficulties, as well as obligations of corporate issuers that present inherent value through mergers, acquisitions, divestitures, and other event-driven opportunities. The ECT makes investments that it considers will generate current income and capital appreciation based on a perceived difference in the prices available in the financial markets for a corporation's obligations and their inherent underlying economic value.

The ECT intends to engage in short sales and various transactions in derivatives either as hedges of its investment portfolio or as individual investments. The ECT may also affect short sales and derivative transactions in situations where investments are overvalued and have a high probability of declining in value. In addition, the ECT may use derivatives as a substitute for actual long or short positions.

The ECT will seek to hedge, in whole or in part, the currency exposure resulting from the purchase of obligations denominated in a currency other than Euro through spot, forward, option or swap transactions in situations where it considers it both possible and economical to do so.

Investment Strategy Risks

Investments made in Alternative Investments advised by Napier Park involve significant risks. Prospective investors in such Alternative Investments should carefully consider, among other factors, the risks described below. Such risk factors are not meant to be an exhaustive list of all potential risks associated with these investments and not all risks may be applicable to a particular investment. Prospective investors in Alternative Investments advised by Napier Park should carefully review the relevant offering and governing documents and any other documents relating to the applicable Alternative Investment received prior to making an investment in the Alternative Investment and pay particular attention to the risk factors contained within those documents.

Investors should have the financial ability and willingness to accept the risks of their particular investments. There can be no assurance that Napier Park will be able to achieve its investment objectives or that investors will receive a return of their capital. Investing involves significant risks, including potential loss of the entire investment.

Alternative Investments advised by Napier Park may be subject to the following risks, among others.

Investment Objective and Investment Strategy

There can be no assurance that an Alternative Investment will achieve its investment objective and investment results may vary over time.

The investment strategy of an Alternative Investment may be broad and involve the making of investments in a wide range of markets and instruments. An Alternative Investment may trade in diverse and complex strategies that are affected in different ways and at different times by changing market conditions, which may result in a volatile return profile and potential losses. Asset classes or instruments may at times be out of market favor for considerable periods, creating adverse consequences for a portfolio, which may prompt an Alternative Investment to change its strategy. In certain instances, anticipated catalysts (such as extraordinary corporate actions) may fail to materialize as expected, which could cause losses on an issuer's securities. Due to the nature of a particular investment strategy, the portfolio of an Alternative Investment may experience significant price volatility. Investors should expect that any investment in an Alternative Investment may experience significant volatility in returns.

Concentration of Investments

Alternative Investments may hold relatively few investments at any given time and may at certain times also hold substantial amounts of cash or cash equivalents. An Alternative Investment could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including by reason of a default of the issuer or of the collateral supporting a particular investment.

Short Selling

Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

Undervalued Securities

The Alternative Investments may invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from an Alternative Investment's investments may not adequately compensate for the business and financial risks assumed.

An Alternative Investment may make certain speculative investments in securities which Napier Park believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued or that they will increase in value. In addition, an Alternative Investment may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of an Alternative Investment's capital would be committed to the securities purchased, thus possibly preventing the Alternative Investment from investing in other opportunities. In addition, an Alternative Investment may finance such purchases with borrowed funds and, in that case, would have to pay interest on such funds during such waiting period.

Certain Financial Instrument Risk

Debt Securities

An Alternative Investment may invest in debt securities that are unrated or below investment grade. Such debt securities are subject to greater risk of loss of principal and interest than retail or higher-rated debt securities. An Alternative Investment may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. An Alternative Investment may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Such Alternative Investments, therefore, will be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities of issuers in some jurisdictions involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Derivatives; Leverage

An Alternative Investment may from time to time utilize both exchange-traded and over-the-counter futures contracts, options and contracts for differences as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. Derivative instruments may alter the default risk implicit in the transaction in that the Alternative Investment will typically have rights against the issuer of the derivative as opposed to the issuer of the security underlying the derivative. The low initial margin deposit normally required to establish a position in such instruments permits a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Alternative Investments may also sell covered and uncovered options on securities. To the extent that such options are uncovered, an Alternative Investment could incur an unlimited loss. Alternative Investments may enter into total return and credit default swaps. Because these are leveraged investments, a loss in the value of assets underlying swap transactions may have a magnified adverse effect on the value of an Alternative Investment's portfolio.

If an Alternative Investment invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Alternative Investment's return or result in a loss. An Alternative Investment could also experience losses if derivatives are poorly correlated with its other investments, or if it is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or may suddenly become, illiquid. Conversely, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

General Risks

Investments in Alternative Investments entail a high degree of risk. Investors should give careful consideration to the following risk factors and conflicts of interest detailed in this Item 8 and other product-specific information provided by the Alternative Investment, the ECT or Napier Park in evaluating the merits and suitability of any Alternative Investment. The following does not purport to be a comprehensive summary of all the risks and conflicts of interest associated with investments in Alternative Investments.

General Economic Conditions and Recent Events

Various sectors of the global financial markets experienced an extended period of adverse conditions following serious disruptions in the U.S. residential mortgage market. Market uncertainty in the United States increased dramatically during this time, and adverse market conditions in the United States expanded to other markets. These conditions resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global credit market conditions adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The longer-term impact of these events is uncertain, but they had and are likely to continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity worldwide. Investments made by any Alternative Investment may be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by any Alternative Investment may and these or similar events may affect the Alternative Investment's ability to execute its investment strategy.

Deterioration of the Credit Market

In the past there have been slowdowns and weakening of the credit market, along with a widening of credit spreads, a deterioration of the sub-prime and global debt markets, and a rise in interest rates, which reduced investors' demand for high yield debt and senior bank debt, which in turn led to some investment banks and other lenders being unwilling to finance new investments or to only offer committed financing for these investments on unattractive terms. The ability of any Alternative Investment to generate attractive investment returns for its investors may be adversely affected to the extent the Alternative Investment or its investments are unable to obtain favorable

financing terms. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of global economies. Such an economic downturn could adversely affect the financial resources of operating partners and investment projects in which any Alternative Investment intends to participate, and may result in the inability of such partners and projects to make principal and interest payments on outstanding debt when due, and may also restrict the ability of any Alternative Investment to sell or liquidate investments at favorable times or for favorable prices.

Investment in General

Any prospective investor must be able to bear the risks involved and must meet the suitability requirements of an Alternative Investment. Some or all alternative investment strategies employed by an Alternative Investment may not be suitable for certain investors. No assurance can be given that an Alternative Investment's investment objectives will be achieved. Investments in hedge funds, private equity funds, and other types of private investment funds are typically speculative and involve a substantial degree of risk. Past results of an Alternative Investment are not necessarily indicative of future performance of any Alternative Investment and the performance of such Alternative Investment may be volatile. Such past performance may not be an accurate indicator of future returns. Investment results may vary substantially on a monthly, quarterly or annual basis. The establishment and use of an Alternative Investment does not constitute a complete investment program. A prospective investor must realize that it could lose all or a substantial amount of its investment in an Alternative Investment.

Napier Park expects that certain Alternative Investments may underperform or experience financial difficulties, which difficulties may never be overcome. Certain Alternative Investments may be highly illiquid and/or permit redemptions infrequently and under very restrictive terms. Napier Park may utilize highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. No assurance can be given that an Alternative Investment will achieve its goals or investment objectives.

Government Regulation – Financial Stability Legislation

The Financial Reform Act which was signed into law on July 10, 2010 includes significant alterations to the regulations applicable to financial institutions and investment advisors, including Alternative Investments and Napier Park. The Financial Reform Act modifies registration requirements for private investment funds, modifies the standard to qualify as an accredited investor, and modifies a number of restrictions applicable to covered financial companies. The Financial Reform Act requires advisers to private funds to maintain certain records and reports pertaining to the following items, which are subject to SEC inspection: amount of assets under management; use of leverage; counterparty exposure; trading and investment positions; valuation policies and practices; types of assets held; side arrangements or side letters; trading practices and other information deemed necessary by the SEC. Additionally, the Financial Reform Act imposes regulatory changes with respect to covered financial companies relating to the operation, capital maintenance and activities of systemically important nonbank financial companies, and would restrict such entities from engaging in proprietary trading, investing in or sponsoring certain

private funds and engaging in transactions with affiliates. The Financial Reform Act includes a number of additional regulatory requirements with respect to entering into derivative and swap transactions, capital and margin requirements for swap transactions and obtaining approvals for swap transactions. Federal, state, and other governments, their regulatory agencies, or self-regulatory organizations may enact further legislation and/or rules which impact the management of an Alternative Investment and the instruments in which an Alternative Investment invests in ways that are unforeseeable. The U.S. Congress specifically delegated rule making authority necessary to implement certain provisions of the Financial Reform Act to a range of governmental regulators which wield discretionary authority, such as the SEC, the Commodities Futures Trading Commission, the Board of Governors of the Federal Reserve System, and the Financial Stability Oversight Council. Such legislation or regulation may limit or preclude the Alternative Investment's ability to achieve its investment objective.

Market Disruption and Political Risk

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of asset prices, liquidity, interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Volatility, illiquidity, governmental action, currency devaluation, or other events in global markets in which an Alternative Investment directly or indirectly holds positions could impair such Alternative Investment's ability to achieve its investment objectives and could cause the Alternative Investment to incur substantial losses.

Business and Regulatory Risks

The industry of hedge funds, private equity funds, and other private investment funds has been and is expected to continue to be subject to increased regulation and public scrutiny. Legal, tax and regulatory changes are expected to occur that may adversely affect an Alternative Investment. The regulatory environment for hedge funds, private equity funds, real estate funds and other private investment funds is evolving globally, and changes in the regulation of private investment funds may adversely affect the value of investments held by an Alternative Investment and the ability to obtain the leverage such Alternative Investment might otherwise obtain or the ability of an Alternative Investment to pursue certain trading strategies. The effect of any future regulatory change on an Alternative Investment could be substantial and adverse.

Illiquidity of the Alternative Investments

Interests in an Alternative Investment are offered without registration under the Securities Act of 1933 (the "Securities Act"), in reliance upon an exemption contained in Section 4(2) of the Securities Act and/or Regulation D under the Securities Act. There will be no public market for interests in such Alternative Investment and, for a variety of regulatory reasons, no such market will be permitted to exist. The only source of liquidity lies in an investor's right to redeem from an Alternative Investment (if any such right even exists). Redemptions from an Alternative Investment may be subject to various restrictions, including prior notice and minimum redemption requirements, lock-up periods of one year or more, side-pocketed investments, and the right of an Alternative Investment to reduce the amount of redemptions in accordance with a redemption gate. In addition, in the event of a complete redemption from an Alternative Investment, a portion of the

redemption proceeds may be retained by such Alternative Investment until the completion of such Alternative Investment's annual audit. An Alternative Investment may have discretion to further defer payment of redemption proceeds, to suspend redemptions indefinitely and to satisfy redemptions in-kind. In addition, redemption payments from certain Alternative Investments may be based on inaccurate/or estimated data, and may be subject to a return of any overpayments by the investor.

Lack of Regulation of Alternative Investments

The Alternative Investments are generally not subject to many provisions of the federal securities and commodities laws that are designed to protect investors in pooled investment vehicles offered to the public in the United States. Interests in the Alternative Investments generally are not offered pursuant to registration statements effective under the Securities Act. In addition, the Alternative Investments generally are not subject to the periodic information and reporting provisions of the Exchange Act of 1934, nor in most cases will those Alternative Investments be registered as investment companies under the Investment Company Act of 1940. Similarly, the investment managers of Alternative Investments that trade in commodity interests may be exempt from the disclosure, reporting and record-keeping requirements of the Commodity Exchange Act of 1936, as amended.

Valuation Risks

Valuations of assets of an Alternative Investment's directly or indirectly held positions may involve uncertainties and require the application of business judgment. If such valuations should prove to be incorrect, the net asset value of an Alternative Investment could be adversely affected. Valuation of assets of an Alternative Investment is generally based on the net asset value of the Alternative Investment reported by Napier Park in accordance with its practices and policies.

Risk Management

Napier Park's risk analysis team includes professionals with technical expertise in analyzing the risks of investing in Alternative Investments. Napier Park's risk analysts maintain a proprietary risk management system that provides processes and tools designed for the complex strategies used by Alternative Investments. No risk management process is fail-safe, and no assurances can be given that Napier Park's risk management process will achieve its objective. From time to time, Napier Park may modify or change its risk management system in its sole discretion.

Leverage

The Alternative Investments are generally authorized to borrow funds in order to employ leverage, to manage liquidity and for any other purpose (as specified in their respective account documentation and governing documents). Such borrowings may be secured by a pledge of assets to the lender. Borrowing money to purchase securities may provide an opportunity for greater capital appreciation by permitting greater economic exposure to profitable positions. At the same time, leverage increases an Alternative Investment's exposure to capital risk and higher current expenses through greater exposure to losses, interest charges, fees imposed by lenders and transaction costs.

Effect of Substantial Redemptions

Substantial redemptions by investors within a short period of time could require Napier Park to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of an Alternative Investment's assets. The resulting reduction in an Alternative Investment's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Because substantial redemptions may be funded by liquidating the more liquid assets in the portfolio, such redemptions may cause the remaining portfolio to be substantially less liquid overall.

Effects of In-Kind Redemptions

Proceeds of an in-kind redemption may be distributed to an investor directly or indirectly including through a distribution of interests in one or more special purpose vehicles holding assets owned by an Alternative Investment or participations therein. To the extent an investor is distributed interests in one or more special purpose vehicles holding participation interests in the assets of such Alternative Investment, an investor may continue to be at risk of such Alternative Investment's business until all such assets are sold. The value of proceeds distributed in kind may increase or decrease before they can be sold by an investor, if received directly, or by Napier Park if held through a special purpose vehicle. In the case of interests in special purpose vehicles, an investor will share a proportionate portion of the operating and other expenses borne by such vehicle, including possibly fees to Napier Park. Additionally, proceeds distributed in kind, either directly or indirectly, may not be readily marketable. The risk of loss and delay in liquidating these assets will be borne by investors. Furthermore, to the extent that an investor receives interests in one or more special purpose vehicles, such investor will generally have no control over when and at what price the assets in which such vehicles have an interest are sold.

Dependence on Key Personnel

The success of any Alternative Investment depends in substantial part on the skill and expertise of the key members of the investment team. There can be no assurance that the key members of any investment team will continue to be employed by Napier Park or its affiliates throughout the life of an Alternative Investment. The loss of the services of one or more of such officers or employees could have a material adverse effect on the performance and operation of the Alternative Investment. In the event that the services of any such personnel are lost, the Alternative Investment may not be able to successfully recruit new personnel with the requisite skills, knowledge, relationships or experience.

Reliance on Management

Although Napier Park seeks to monitor the performance of each investment, an Alternative Investment will rely upon the management of its portfolio companies to operate them on a day-to-day basis. There can be no assurance that such management, or any new management, will continue to operate successfully.

Bankruptcy of Portfolio Companies

An Alternative Investment may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of such Alternative Investment. There is also a risk that a court may subordinate the investment to other creditors or require the Alternative Investment to return amounts previously paid to it by a portfolio company that becomes insolvent or files for bankruptcy, a risk that could increase if the Alternative Investment has management rights in such portfolio company.

Investment Selection

Napier Park selects investments on the basis of information and data prepared by the issuers of such securities or made directly available to Napier Park by the issuers of the securities and other instruments or through sources other than the issuers. Although Napier Park evaluates available information and data and seeks independent corroboration when it considers it to be appropriate and when it is reasonably available, Napier Park is not in a position to confirm the completeness, genuineness or accuracy of such information and data.

Investment in Foreign Securities

The Alternative Investments may, either directly or indirectly, take positions in non-U.S. securities. Investment in non-U.S. securities may be subject to greater risks than purely domestic investments because of a variety of factors, including currency controls and the fluctuation of currency exchange rates, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. In addition, there may be less publicly available information about non-U.S. issuers than about U.S. issuers, and non-U.S. issuers may not be subject to uniform accounting, auditing and financial reporting standards and requirements that are comparable to those of U.S. issuers.

Counterparty Risk

An Alternative Investment is subject to the risk of the failure or default of any counterparty to the transactions of such Alternative Investments Vehicle. The institutions, including brokerage firms and banks, with which an Alternative Investment does business, or to which securities have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of an Alternative Investment. Hedging transactions, margin trading and other financial mechanisms designed to implement various trading strategies involve counterparty risk elements that may be impossible or impractical to eliminate or may create unforeseen exposures. If there is a failure or default by the counterparty to such a transaction, the contractual and other legal remedies available may be limited or inadequate. Counterparty risk may be reduced but not eliminated through the selection of financial institutions and types of transactions employed.

Correlation Risk

In many cases, the strategy of an Alternative Investment will be based on an assumption that historical pricing correlations accurately represent future correlations. In contexts where a strategy is based on identifying apparent pricing anomalies based on historical correlations, a short- or long-term change in those correlations could adversely affect the anticipated market gain achievable from trading on the basis of the strategy.

Historical pricing patterns do not necessarily predict future relationships, particularly at times of serious market disruption or during unusual trading periods or market events. Consequently, the adoption of certain strategies will not necessarily eliminate or modulate market risk. Since many strategies assume a continuation of historical pricing patterns, any substantial deviation from those patterns can result in volatility and losses.

No Current Income

An Alternative Investment's investment policies should be considered speculative, as there can be no assurance that Napier Park's assessments of the short-term or long-term prospects of investments in an Alternative Investment will generate a profit. In view of the fact that there may be no assurance that an Alternative Investment will make distributions, that such distributions may be infrequent and that investors may have limited rights to redeem from an Alternative Investment, an investment in an Alternative Investment is not suitable for investors seeking current income for financial or tax planning purposes.

No Manager Liability Beyond Investment Assets

Subject to Napier Park's fiduciary responsibility to investors in an Alternative Investment, Napier Park shall have no personal liability to an investor for the return of any investment in such Alternative Investment, it being understood that any such return shall be made solely from such Alternative Investment's assets.

Indemnification; Return of Redemptions and Distributions

Napier Park and other persons retained by an Alternative Investment are entitled to indemnification and/or exculpation for liability and losses incurred or arising out of their performance of services, except under certain circumstances, from such Alternative Investment as set forth in more detail in its account documents. An Alternative Investment may also enter into indemnification arrangements and other arrangements that impose limitations on liability with its service providers and other parties

Early Termination

In the event of the early termination of an Alternative Investment, it is possible that, at the time of such sale or distribution, certain securities held by the Alternative Investment would be worth less than the initial cost or previously reported value of such securities, resulting in a loss to investors.

Limited Voting Rights

The documents governing the Alternative Investments generally provide that investors have no voting rights except in limited circumstances. Generally, investors have no right to vote on many matters affecting an Alternative Investment, including, without limitation, the election and dismissal of directors, most amendments, supplements or other modifications to the governing documents of such Alternative Investment, the merger and/or consolidation of the Alternative Investment or the liquidation of the Alternative Investment.

Involuntary Sale of Interest

The general partner of an Alternative Investment may cause an investor to sell its interest if the general partner determines that the continued participation of such investor would have a material adverse effect on the general partner, the Alternative Investment, any portfolio company, any other investor or any of their respective affiliates.

Tax Risks

Tax consequences to investors from an investment in an Alternative Investment are complex. There may be changes in tax laws or interpretations of such tax laws adverse to the Alternative Investment or its investors. There can be no assurance that the structure of an Alternative Investment or of any investment will be tax-efficient to any particular investor. Prospective investors are strongly urged to consult their own tax advisers with reference to their specific tax situations, including any applicable U.S. state or local or non-U.S. taxes and, in the case of U.S. tax exempt and non-U.S. investors, with reference to any special issues that investment in an Alternative Investment may raise for such investors. For example, there can be no assurance that an Alternative Investment will have sufficient cash flow to permit it to make annual distributions in the amount necessary to pay tax liabilities resulting from an investor's ownership of interests in such Alternative Investment.

Political Risks and Catastrophic Events

Depending on the country in which a portfolio company is located, there may exist the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. Portfolio investments may also be subject to catastrophic events and other force majeure events, such as fires, earthquakes, adverse weather conditions, changes in law, eminent domain, riots, terrorist attacks and similar risks. These events could result in the partial or total loss of a portfolio investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

Substantial Fees and Expenses

The Alternative Investments are required to meet certain fixed costs, including organizational and offering expenses, investment-related expenses, and ongoing administrative and operating expenses (such as fees payable to the service providers). These fees and expenses may be substantial and are payable regardless of whether any profits are realized by the Alternative Investments.

Side Letters and Other Agreements

Some Alternative Investments may enter into separate agreements with certain investors, such as those affiliated with Napier Park and its affiliates or those deemed to involve a significant or strategic relationship, to waive certain terms, or to allow such investors to invest in separate classes of interests with different terms than those of the other investors, including, without limitation, with respect to fees, liquidity or depth of information provided to such investors concerning the Alternative Investment. Under certain circumstances, these agreements could create preferences or priorities for such investors with respect to other investors in the Alternative Investment. In addition, Napier Park may specifically allocate capacity with respect to some of the Alternative Investment's investments to investors who desire increased exposure to such investments. New classes of interests of the Alternative Investment may be established without the approval of the existing investors.

Some Alternative Investments may offer certain investors additional or different information and reporting than that offered to other investors. Such information may provide the recipient greater insight into the Alternative Investment's activities than is included in standard reports to investors, thereby enhancing the recipient's ability to make investment decisions with respect to the Alternative Investment.

The foregoing list of risk factors is not a complete explanation of the risks involved in an investment in an Alternative Investment.

Item 9 Disciplinary Information

To the best of Napier Park's knowledge, currently there are no legal or disciplinary events that may be material to a client or prospective client or underlying investor.

Item 10 Other Financial Industry Activities and Affiliations

Napier Park may share resources, other employees and management, as well as investment ideas and opportunities, with any or all of its affiliates engaged in similar activities.

Napier Park may recommend that investors in its Alternative Investments invest in other Alternative Investments of which Napier Park or one of its affiliates is a managing or non-managing general partner (or equivalent).

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

Code of Ethics

Napier Park has adopted a Code of Ethics that memorializes Napier Park's fundamental duties as a fiduciary. The Code of Ethics includes standards of business conduct and incorporates a personal investments policy. Each employee providing services through Napier Park receives a copy of the Code of Ethics upon hiring and annually thereafter and must make an attestation that such employee has read and understood such Code of Ethics.

Napier Park's Code of Ethics requires each employee to prioritize the interests of the client, to avoid conflicts of interest, to never abuse such employee's position of trust and responsibility and to comply with all federal securities laws. Employees are required to safeguard material non-public information in such employee's possession and are prohibited from using such information to such employee's personal benefit. Each employee must treat information belonging to clients as confidential and take care to protect such information from unauthorized access by third parties.

To avoid any potential conflict of interest involving personal transactions, Napier Park requires each employee providing services through Napier Park to notify compliance upon opening a personal account, to pre-clear personal transactions and disclose all potential conflicts of interest with regard to any such personal transaction before engaging in the transaction. Employees are also subject to a restricted list and blackout periods. In addition, access persons (including employees providing services through Napier Park with access to non-public information regarding Napier Park's purchase or sale of securities and may include temporary workers and independent contractors) will (i) upon starting employment, provide a complete record of his or her securities holdings to compliance and annually thereafter and (ii) any individuals providing services on behalf of Napier Park must arrange to have copies of confirmations sent to compliance, unless such information has been provided through other means. All employees are required to inform compliance of any violation of the Code of Ethics that comes to his or her notice.

A copy of Napier Park's Code of Ethics will be provided to any client or prospective client upon request.

Trading Practices

Participation and Interest in Client Transactions

Napier Park has implemented policies and procedures that address affiliated transactions. Therefore, from time to time, Napier Park or its affiliates may effect a securities transaction between one or more Alternative Investments. In such case, one Alternative Investment will purchase securities held by another Alternative Investment. Napier Park effects these transactions only (i) when it deems the transaction to be in the best interests of both Alternative Investments and (ii) at a price that Napier Park has determined by reference to independent market indicators, which Napier Park believes to constitute "best execution" for both accounts. Neither Napier Park nor its affiliates will receive any compensation, directly or indirectly, for arranging such a transaction. To the extent that Napier Park or its affiliates engage in principal agency, agency cross transactions or cross trades, such transactions will be consummated in accordance with FCA rules and regulations and, in relation to services provided to clients from the United States only, in accordance with Section 206(3) of the Advisers Act and, as applicable, Rule 206(3)-2 promulgated thereunder. As required pursuant to FCA rules, any transactions effected between Alternative Investments would be covered by the duty of best execution and would need to take account of the FCA's execution factors. Napier Park fulfills this requirement in relation to transactions between Alternative Investments by requiring that such transactions be pre-approved by the relevant Napier Park Fiduciary Committee members. Approval by e-mail will suffice and such approval will then be noted and documented at the next Fiduciary Committee meeting.

Aggregation of Transactions

If a portfolio manager operating through Napier Park believes that the purchase or sale of a security is in the best interests of more than one Alternative Investment, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly and in accordance with Napier Park procedures relating to the Allocation of Investments as described in Item 12. The portion of an aggregated order to be allocated to each client's account will be specified contemporaneously with the execution of the trade.

Interest in Client Transactions

Napier Park may recommend securities in which it and/or its affiliates directly or indirectly have a financial interest. Napier Park affiliates also may buy and sell securities on behalf of an Alternative Investment that Napier Park recommends to advisory clients for purchase and sale. Napier Park may give advice and take action in the performance of its duties to clients which differs from the advice given, or the timing and nature of action taken, with respect to the accounts of its affiliates and/or the accounts of other clients.

In certain instances, affiliates of Napier Park may acquire investments in an issuer on a side-by-side basis with an Alternative Investment managed by Napier Park. Such investments may provide the Alternative Investment with access to investments that it could not otherwise have obtained. However, this practice may give rise to potential conflicts of interest. Napier Park and its affiliates will seek to fairly and equitably allocate, based on the particular facts and circumstances, investment opportunities between or among Alternative Investment and its affiliates and other investment accounts. Please see Item 12 "Brokerage Practices - Allocation of Investment Opportunities" for more details.

Temporary investments in which an Alternative Investment's assets may be invested include instruments issued, or funds managed by, an affiliate of Napier Park, in which case such affiliate will receive fees or other compensation in connection with such investment. Such fees will be in addition to the advisory fees and other compensation paid to Napier Park.

Inside Information

Napier Park has adopted procedures to guard against insider trading. In the event that Napier Park obtains material, non-public information about an issuer, it may be prohibited from trading the issuer's securities until the information becomes public or is no longer material. Napier Park's investment flexibility may be constrained as a consequence of Napier Park's inability to use such information for investment purposes.

Other Conflicts of Interest

Napier Park or any of its respective affiliates or directors may have an interest in an Alternative Investment or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their duties to such Alternative Investment, and none of them will be liable to account for any profit or remuneration derived from doing so. If Napier Park has, or may have, in relation to a proposed transaction for an Alternative Investment, a material interest or a relationship that gives or may give rise to a conflict of interest, Napier Park will not knowingly advise, or deal in the exercise of discretion in relation to that transaction, unless it takes reasonable steps to ensure fair treatment for the Alternative Investment.

For example, such potential conflicts may arise because:

- a) Napier Park or its affiliates undertake business for other clients;
- b) a director or employee of Napier Park or its affiliates is a director of, holds or deals in securities of, or is otherwise interested in, any company the securities of which are held by or dealt in on behalf of an Alternative Investment;
- c) the transaction relates to an investment in respect of which Napier Park or one of its affiliates may benefit from a commission, fee, mark-up or mark-down payable otherwise than by an Alternative Investment;
- d) Napier Park or one of its affiliates may act as agent for an Alternative Investment in relation to transactions in which it is also acting as agent for the account of other clients of Napier Park or its affiliates; or
- e) a transaction of an Alternative Investment may be in units or shares of a collective investment scheme or any company in relation to which Napier Park or one of its affiliates is the manager, operator, adviser or trustee.

Affiliates of Napier Park engage in a broad spectrum of activities, including financial advisory activities and managing private investment funds and may from time to time present potential conflicts of interest with Napier Park's clients. Many of these potential conflicts of interest arise in connection with investment management activities of Napier Park affiliates. In these cases, these relationships may result in an Alternative Investment not being permitted to pursue certain investment opportunities. Accordingly, no assurances can be given that all potentially suitable investment opportunities will be offered to any given Alternative Investment.

Napier Park affiliates may provide services to, invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities (including prospective investors in Alternative Investments) which may have similar structures and investment objectives and policies to those of the Alternative Investments and which may compete with the Alternative Investments for investment opportunities and which may co-invest with the Alternative Investments in certain transactions. In addition, Napier Park affiliates and their respective clients may themselves invest in securities that would be appropriate for the Alternative Investments and may compete with the Alternative Investments for investment opportunities.

Generally speaking, officers and employees providing services through Napier Park will devote such time as they deem necessary to carry out the operations of the Alternative Investments. However, officers and employees providing services through Napier Park are not necessarily required to devote full time to a given Alternative Investment's business and they may have conflicts of interest in allocating their time between such fund and other related or unrelated activities.

It is also possible that Napier Park professionals will be permitted to co-invest in certain investment opportunities in which a given Alternative Investment invests as a further incentive and means of aligning such professionals' interests with the interests of the Alternative Investment's investors.

Investors in Napier Park's various Alternative Investments are expected to include entities and persons located in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their various fund investments. As a result, conflicts of interest may arise in connection with decisions made by Napier Park or its affiliates that may be more beneficial for one type of investor than another type of investor. Napier Park will follow the investment objective and standards for resolving such conflicts set forth in each of its Alternative Investment's governing documents, e.g., by focusing on the pre-tax investment objectives of an Alternative Investment as a whole.

In certain situations, Napier Park may be restricted or precluded from pursuing an investment due to certain regulatory considerations arising under Employee Retirement Income Security Act, section 17 of the Investment Company Act of 1940, or similar laws.

Procedures for Resolving Conflicts of Interest

On any issues involving actual conflicts of interest, Napier Park will be guided by its legal obligations, including but not limited to the contractual requirements governing such situation, as well as its good faith judgment as to a client's best interests. Napier Park may refer the matter to a committee designed to monitor fiduciary relationships. Subject to the applicable investment management agreement and other governing documents, Napier Park may take such actions as it may deem necessary or appropriate to ameliorate the conflict. As an FCA regulated and authorized company, Napier Park is required to document all its actual or perceived conflicts of interest together with the remedial action that has been taken to reduce or minimize these conflicts. Such steps may include disclosure.

Item 12 Brokerage Practices

Brokerage Discretion

Napier Park generally is not limited in its authority to select broker-dealers for trade execution.

In selecting an unaffiliated broker-dealer for trade execution, Napier Park uses its best judgment to select a broker-dealer that provides prompt and reliable execution at favorable securities prices and reasonable commission rates. Napier Park has an obligation to provide best execution to Professional Clients as defined in the FCA's Conduct of Business Rules. Best execution means taking all reasonable steps to obtain the best possible result for the execution of client orders, and

acting in the best interests of its clients when Napier Park passes orders to other parties for execution. In doing so, Napier Park needs to take into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, known as the “execution factors”.

Napier Park may choose to participate in seminars or conferences, or other types of capital introduction service programs (collectively referred to as “Cap Intro Programs”) held by affiliated and/or non-affiliated prime brokers for their current or prospective clients that are hedge fund or investment managers that manage funds or other types of investment vehicles or who are otherwise eligible to invest in Alternative Investments managed by Napier Park. Napier Park may have an incentive to select or recommend a broker-dealer based on its interests in receiving referrals or invitations to participate in such Cap Intro Programs.

Research and Other Soft Dollar Arrangements

Napier Park currently does not utilize client’s agency commission dollars to purchase research and other services, i.e., soft dollars.

Allocation of Investment Opportunities

Affiliates of Napier Park may co-invest with a client advised by Napier Park on a side-by-side basis from time to time. Clients may, from time to time, compete with such other investors for access to potential investments. Napier Park and its affiliates will seek to fairly and equitably allocate, based on the particular facts and circumstances, such investment opportunities between or among the Alternative Investments and its affiliates and other proprietary investment accounts. However, such allocation will not necessarily be made pro rata based on available assets. There can be no assurance that a particular investment opportunity which comes to the attention of Napier Park’s affiliates will be referred to Napier Park and the Alternative Investments it manages. Napier Park is not obligated to refer any specific investment opportunity to a client.

In the event that two or more Napier Park Alternative Investments managed by Napier Park officers through affiliates (including proprietary portfolios) have cash available for investment at the same time and an investment opportunity arises that may be appropriate for each client and the affiliated portfolio but whose availability to Napier Park and its affiliates is limited, Napier Park and its affiliates will seek to fairly and equitably allocate such investment opportunity between or among such Alternative Investments, taking into account such factors as each Alternative Investment’s investment objective, industry and sector focuses, size and available cash.

Napier Park will generally allocate trades on a pro-rata basis based upon capital weighting unless it is determined that pro rata allocations would not be fair and equitable, subject to the factors detailed below.

Napier Park must select from a large array of possible eligible investments those that are appropriate to the relevant Alternative Investment. It must then decide the quantity that it is prudent to purchase, to which Alternative Investments they should be allocated and in what size. It will never be possible to list fully every single factor that each business should take into account for each possible investment opportunity and indeed part of the skill of the investment manager at

both the level of the individual and the team is the ability to weigh up the relevant factors in order to come to a balanced decision. However, the following serves as a non-exhaustive list of the factors that Napier Park should consider in respect of each portfolio when determining the allocation of assets:

- a) whether the portfolio already has sufficient exposure to, or has too much of a concentration in, certain securities, a particular issuer (or type of issuer) or market or sector;
- b) whether the portfolio is newly established and in its initial “ramp up” period;
- c) the different liquidity positions and requirements of the participating accounts;
- d) regulatory considerations on a portfolio basis (i.e., affiliate restrictions, limitations on “new issue” investments, CFTC 4.13(a)(3) de minimis exemption limitations, regulatory reporting impact);
- e) the relative capitalization and cash availability of the portfolio;
- f) the relative risk and value-at-risk profiles of the portfolio;
- g) portfolio concentration considerations;
- h) different portfolio strategies;
- i) formal and informal monitoring diversification requirements;
- j) investment time horizon;
- k) the composition of the current portfolios;
- l) the matching or complimenting assets in the portfolios;
- m) size of investment and transaction costs;
- n) minimum investment criteria;
- o) pricing;
- p) leverage levels;
- q) impact on existing hedges;
- r) effects on call or coupon distributions, if applicable; and

- s) any other factors deemed appropriate in light of the facts and circumstances of a given transaction at the time.

Aggregation of Transactions

If a portfolio manager believes that the purchase or sale of a security is in the best interests of more than one client, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly and in accordance with Napier Park procedure relating to the allocation of investments as described above. The portion of an aggregated order to be allocated to each client's account will be specified contemporaneously with the execution of the trade.

Item 13 Review of Accounts

Review of Accounts

Fiduciary committees consisting of senior Napier Park professionals including legal, risk and compliance meet quarterly or half yearly to review client accounts, fund performance and any significant events.

Reports

Funds

Napier Park reports a Fund's performance to its investors on at least a quarterly basis.

Managed Accounts

With respect to the Managed Accounts Napier Park's clients are the holders of the Managed Account. The relevant advisory agreement and related account documentation specifies the reports to be provided to the holders of a Managed Account, but generally they receive statements on at least a quarterly basis.

Item 14 Client Referrals and Other Compensation

Napier Park does not receive any economic benefits from non-clients for providing investment advice or other advisory services to its clients.

Napier Park may enter into agreements with its employees, and/or third parties to solicit clients or investors for Napier Park's investment advisory services. Under such agreements, persons may refer or solicit clients or investors and receive compensation for such services. The structure of any agreement with a third party, including the compensation payable to the solicitor, will be disclosed fully to the client or investor in accordance with Rule 206(4)-3 of the Investment

Advisers Act. Different solicitors, including affiliates, may receive varying amounts of compensation for their services.

In addition, Napier Park and its employees, as a matter of policy and practice, are prohibited from providing or agreeing to provide, directly, or indirectly, payment, consideration or any other item of value to any person unaffiliated with Napier Park to solicit a U.S. government entity for investment advisory services on Napier Park's behalf unless such person is a U.S. registered broker dealer and/or U.S. registered investment adviser. Any arrangement which may involve the solicitation of government entities must be in writing and shall contain provisions reasonably designed to ensure compliance with all applicable laws and rules by such person in connection with any solicitation of any governmental entities.

Napier Park also may refer clients and/or investors to its affiliates.

Item 15 Custody

Napier Park does not provide custodial services to its clients. Napier Park ensures that any Alternative Investment or other client that it advises maintains its assets with a qualified custodian, including a U.S. bank, an SEC-registered broker-dealer, a CFTC-registered futures commission merchant, or a foreign financial institution that segregates client assets.

However, under Rule 206(4)-2 of the Advisers Act, "custody" is broadly defined to also include indirectly holding funds or securities or having any authority to obtain possession of them. In particular, Napier Park is considered by the SEC to have custody with respect to Alternative Investments advised by Napier Park to the extent it or one of its affiliates serves in a capacity that gives it legal ownership of, or access to, such Alternative Investment's assets (such as the general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle). Napier Park is also considered by the SEC to have custody with respect to certain Alternative Investments that it advises if Napier Park is authorized to withdraw client funds or securities maintained with a third-party custodian upon Napier Park's instruction to such custodian.

In order to avoid any conflict of interest that indirect custody of client assets may cause, Napier Park complies with the exemption in rule 206(4)-2(b)(4) under the Adviser's Act by arranging an annual audit of the financial statements of the Alternative Investments managed by it and the delivery of such financial statements to those clients within 120 days of the Alternative Investment's fiscal year-end. In the event such financial statements are not provided annually, the custodian of the relevant Alternative Investment must send to each investor at least quarterly an account statement showing such Alternative Investment's positions and NAV as well as its aggregate account transactions during the quarter. In addition, Napier Park must instruct a qualified independent accountant to conduct a surprise examination of the relevant Alternative Investment during the year.

Item 16 Investment Discretion

Funds

Napier Park has the authority to determine the investments and temporary investments that a Fund may acquire without obtaining its specific consent, subject to the limitations and restrictions described in the Fund's offering materials, governing documents and investment advisory agreements.

Managed Accounts

The relevant advisory agreement and related account documentation specify the investment authority (including limitations on it) granted to Napier Park by the holder of a Managed Account.

In-Kind Distributions

An Alternative Investment may receive an in-kind distribution from an investment fund in the form of securities of portfolio companies, some of which may be illiquid or restricted securities. With respect to such distributions, Napier Park may have the discretion to sell such securities and distribute the cash proceeds, distribute such securities in-kind or offer the Alternative Investment's investors the option, subject to Napier Park's consent, either to receive the securities in-kind or have the Alternative Investment sell them and distribute the cash proceeds. While Napier Park will use reasonable efforts in such instances to sell or to distribute marketable securities promptly, investors will bear any associated costs or market risks during the disposition process.

Item 17 Voting Client Securities

Napier Park has been delegated the authority to vote investment proxies on behalf of certain of its clients and has adopted written policies that are reasonably designed to ensure proxies are voted in the best interests of its clients and to resolve conflicts of interest (the "Policies"). The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that serves the best interests of client accounts, as determined by Napier Park in its discretion. Clients may request a copy of the Policies and the proxy voting record relating to their account by contacting Napier Park.

As Napier Park is regulated by the FCA, it is required to disclose the nature of its commitment to the U.K. Financial Reporting Council's Stewardship Code (the "Stewardship Code"). The Stewardship Code sets out the principals of effective stewardship by investors. It sets out good practices and is to be applied by firms on a "comply or explain" basis.

Napier Park's investment strategy primarily involves credit and credit-related investments and only infrequently involves voting interests in listed companies and interaction with the management companies listed in the U.K. Therefore, while Napier Park generally supports the principles of the Stewardship Code, it does not consider it appropriate to conform to the Stewardship Code at this time.

Item 18 Financial Information

All client fees owed to Napier Park are either paid in arrears or paid less than six months in advance. Under relevant SEC rules, this means that Napier Park is not required to disclose information about its financial position or balance sheets. Nonetheless, Napier Park confirms that it believes that it has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.