
Form ADV, Part 2A: Firm Brochure

First Eagle Private Credit, LLC

500 Boylston Street, Suite 1250
Boston, MA 02116
P: (617) 848-2500
F: (617) 848-4300
<https://www.feim.com>

This document (the “Brochure”) provides information about the qualifications and business practices of First Eagle Private Credit, LLC and its relying advisers, First Eagle Private Credit Advisors, LLC and First Eagle Commercial Loan Originator II LLC (together, “FE Private Credit”). If you have any questions about the contents of this brochure, please contact Mr. Brian Forde, CCO, at (617) 848-4373 and/or brian.forde@feim.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FE Private Credit also is available on the SEC’s website at www.adviserinfo.sec.gov.

FE Private Credit may refer to itself as a “registered investment adviser” or describe itself as being “registered” from time to time. Registration with the SEC does not imply a certain level of skill or training.

December 26, 2018

Item 2. Material Changes

Below is a summary of material changes pertaining to FE Private Credit's business.

The registrant is filing an other-than-annual Form ADV amendment to memorialize a name change from NewStar Financial, LLC to First Eagle Private Credit, LLC. This amendment solely reflects this name change and there has been no change in control and/or ownership of the investment adviser. The registrant's relying advisers, NewStar Capital LLC, and NewStar Commercial Loan Originator II LLC are also undergoing name changes to First Eagle Private Credit Advisors, LLC and First Eagle Commercial Loan Originator II LLC, respectively. There has been no change in control and/or ownership of the relying advisers.

Important Note about this Brochure

This Brochure is not:

- *An offer or agreement to provide advisory services to any person;*
- *An offer to sell interests (or a solicitation of an offer to purchase interests) in any private investment fund (each a “Fund”), any other pooled investment vehicle including, but not limited to, any collateralized loan obligation issuer (each such pooled investment vehicle, a “CLO”),*
- *An offer to enter into any separately managed account or “fund of one” (each an “SMA”); or*
- *A complete discussion of the features, risks or conflicts associated with any Fund, any CLO, any SMA or any advisory service offered by FE Private Credit.*

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), FE Private Credit provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in clients, together with other relevant documents applicable thereto including but not limited to a client’s organizational documents, a Fund’s or CLO’s offering or private placement memorandum and other related transaction documents or the SMA agreement for an SMA (“Relevant Documents”), prior to, or in connection with, such persons’ investment in the related client. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of FE Private Credit, persons who receive this Brochure (whether or not from FE Private Credit) should be aware that it is designed solely to provide information about FE Private Credit as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure differs from information provided in the Relevant Documents. More complete information about each Fund, CLO or SMA is included in the Relevant Documents, certain of which may be provided to current and eligible prospective investors only by FE Private Credit or by persons authorized to communicate with current or potential eligible investors by or on behalf of FE Private Credit. To the extent that there is any conflict between discussions herein and similar or related discussions in any such Relevant Documents, such Relevant Documents shall govern and control.

No offer or solicitation for an investment in a Fund, CLO or SMA advised by FE Private Credit will be made before the delivery of the applicable Relevant Documents to potential investors who should read the Relevant Documents carefully and consult with their tax, legal and financial advisors before making any investment decision.

Throughout this Brochure, “clients” refers to Funds, CLO Clients and SMAs to whom FE Private Credit provides (or may in the future provide) discretionary or non-discretionary investment advisory services and “investors” refers to underlying investors in the client.

Item 3. Table of Contents

Item 1.	Cover Page	1
Item 2.	Material Changes.....	2
Item 3.	Table of Contents.....	4
Item 4.	Advisory Business	5
Item 5.	Fees and Compensation	6
Item 6.	Performance-Based Fees and Side-By-Side Management	8
Item 7.	Types of Clients.....	9
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9.	Disciplinary Information	18 17
Item 10.	Other Financial Industry Activities and Affiliations	18
Item 11.	Code of Ethics & Personal Trading, Participation or Interest in Client Transactions	20 19
Item 12.	Brokerage Practices	24 23
Item 13.	Review of Accounts	25 24
Item 14.	Client Referrals and Other Compensation.....	25
Item 15.	Custody	26 25
Item 16.	Investment Discretion	26 25
Item 17.	Voting Client Securities.....	26
Item 18.	Financial Information.....	27 26

Item 4. Advisory Business

First Eagle Private Credit, LLC was formed in 2004 under the name NewStar Financial, Inc. as a direct lender focused primarily on the “middle market” segment of the U.S. loan market. Since its inception, the Company has expanded its lending activities and increased assets under management to more than \$7 billion. In December 2017, the Company was acquired by a wholly-owned subsidiary of First Eagle Holdings, Inc., a holding company incorporated in Delaware (“FE Holdings”), the parent company of First Eagle Investment Management, LLC (“FEIM”). In October of 2018 NewStar Financial, Inc. converted into NewStar Financial, LLC, and also became a wholly-owned subsidiary of FEIM. In December 2018, the name of NewStar Financial, LLC was changed to First Eagle Private Credit, LLC. With a heritage that dates back to 1864, FEIM is an independent investment management firm that provides investment advisory services to institutional and individual clients through a range of investment strategies and retail mutual funds.

FEIM is a limited liability company organized under the laws of Delaware, and has been a registered investment adviser under the Advisers Act since 1995. It is a subsidiary of FE Holdings. BCP CC Holdings L.P. owns a controlling interest in FE Holdings. BCP CC Holdings L.P. is a Delaware limited partnership with two managing members, Blackstone Capital Partners VI L.P. (“BCP VI”) and Corsair Mentor, L.P. (“Corsair Mentor”). BCP VI is indirectly controlled by The Blackstone Group L.P. (“Blackstone”) and Corsair Mentor is indirectly controlled by Corsair Capital LLC (“Corsair”). Investment funds managed by Blackstone and Corsair and certain co-investors own a controlling interest in FE Holdings and FEIM through BCP CC Holdings L.P. FEIM mainly provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals. FEIM is the investment adviser to the First Eagle Funds and First Eagle Variable Funds, which are registered investment companies.

FE Private Credit, in its capacity as the alternative credit group of FEIM and a wholly-owned subsidiary of FE Holdings, offers a range of investment products employing credit-oriented investment strategies focused on “middle market” loans and liquid, tradeable credit. The Company provides investment advisory services to institutional clients through a range of investment strategies with differing risk/return targets across various investment vehicles, including un-levered direct lending strategies through co-mingled funds, fully-levered strategies through CLOs and separate accounts with a spectrum of parameters tailored to investor preferences.

The Company now manages a series of private credit funds that invest in “middle market” loans originated through its direct lending platform. By leveraging its middle market direct lending franchise and strategic relationships, FE Private Credit provides institutional investors with proprietary access to an attractive segment of the U.S. private loan market and the benefits of our proven credit investment platform. Through its wholly-owned subsidiary, First Eagle Capital, the Company also manages assets across a series of CLO funds that invest primarily in broadly syndicated loans.

FE Private Credit’s direct lending business focuses on providing credit to mid-sized private companies that have non-investment grade credit profiles. See Item 8 “Methods of Analysis, Investment Strategies and Risk of Loss,” and Item 10 “Other Financial Industry Activities and Affiliations” for more information. Non-investment grade middle market loans are extensions of credit made companies that are either rated below BBB/Baa by one or more of the major rating agencies (or who receive below-investment grade credit estimates therefrom), or un-rated with a comparable rating profile. FE Private Credit

typically targets companies with annual cash flow (EBITDA) between \$15 million and \$50 million, but may make loans to companies that are either above or below the target size.

FE Private Credit provides tailored investment advisory services to its clients in accordance with contracts with each client. Other than for SMAs, FE Private Credit does not tailor its advisory services to the needs of individual investors. FE Private Credit's clients (or, such client's subsidiary, which for purposes of this Brochure shall be deemed to be included as a part of the related client) are typically subject to investment guidelines and other contractual restrictions that may limit the types of assets that are permitted to be acquired by such client and include, among other things, target asset mix, portfolio concentration limits, quality tests, eligibility criteria, and other constraints which may restrict ability of the client (or, FE Private Credit on its behalf) to enter into transactions that might otherwise benefit the client in the absence of such restrictions.

Further, FE Private Credit offers advice to each client account based on specific investment objectives, guidelines and strategies set forth in the respective offering circulars and advisory agreements for each client. In general, FE Private Credit seeks to preserve capital, while providing risk adjusted returns for each client account by investing capital across investment strategies, sectors and asset classes. On behalf of its clients, investments may include, but are not limited to, bank debt, corporate bonds (high yield and investment grade), convertible bonds, preferred stock, common stock, credit default swaps and other derivative contracts.

Certain non-discretionary clients may agree with FE Private Credit that they, or their representatives, will be responsible for undertaking their own due diligence with respect to transactions that FE Private Credit recommends. When a client undertakes to do its own due diligence, FE Private Credit is not required to take into account the particular needs or circumstances of the client in rendering investment advice to the client. For discretionary clients, FE Private Credit expects to make investment decisions on the basis of the client's investment guidelines and contractual restrictions.

In addition, as discussed in Item 11, "Code of Ethics and Personal Trading, Participation or Interest in Client Transactions", FE Private Credit expects to enter into principal transactions whereby a client will buy assets from (or sell assets to) FE Private Credit or a Proprietary Subsidiary. In these cases, FE Private Credit will provide notice to, and request the informed consent of, the client. In some cases, consent determinations will be made on the client's behalf by a representative of the client (which may be an independent board of directors, an independent investment professional, an investor or group of investors or another person or entity designated by such client who is independent of FE Private Credit, each an "Independent Review Party"). No principal transaction will be completed prior to receiving the required consent.

As of December 31, 2017, FE Private Credit managed approximately \$4,000,000 of regulatory assets under management on a non-discretionary basis and approximately \$4,816,000,000 on a discretionary basis.

FE Private Credit does not participate in wrap fee programs.

Item 5. Fees and Compensation

FE Private Credit typically is compensated for investment advisory and management services provided to its performance fee above a specified threshold return to equity investors in the client. These fees vary by client. The manner of calculation and payment method for these fees is set forth in the Relevant

Documents for each client. For additional information about performance fees, please refer to Item 6, “Performance-Based Fees and Side-By-Side Management”.

Fees Charged to Clients

Fees charged by FE Private Credit vary by client. The Relevant Documents with respect to such client describe the manner by which such fees are calculated and paid.

With respect to Funds and CLO Clients, fees for investment advisory and management services typically include an asset based management fee and an incentive fee, each generally paid quarterly in arrears, although in some cases the incentive-based compensation may be assessed on an annual basis. Incentive fees are generally paid only after a specified internal rate of return is achieved for the applicable fund on their investment. FE Private Credit generally is entitled to defer or waive all or a portion of its management and/or incentive fees with respect to a particular client or investor, without offering such deferrals or waivers to other clients or investors.

With respect to SMAs, fees for investment advisory and management services are separately negotiated. These fees generally include asset based management fees and may, if agreed, include incentive fees. Such fees are typically paid quarterly in arrears by invoicing the SMA investor. Fees for certain types of non-discretionary services may be lower than fees for discretionary services.

To the extent that client assets are held through investment vehicles managed by FE Private Credit in which the client holds an equity interest and with respect to which FE Private Credit is entitled to receive management fees, FE Private Credit will make certain adjustments so that the total fee borne by the client should not exceed the amount that the client would have paid as a management fee to FE Private Credit absent such a structure.

Other Expenses of the Clients

In addition to the management and performance fees payable to FE Private Credit, Fund and CLO Clients (as well as SMAs that have agreed to do so in their SMA agreements) typically bear the costs, expenses and liabilities in connection with their direct and indirect operations (including any subsidiaries in which they own equity interests). Such expenses typically include, but are not limited to, (a) organizational expenses, (b) fees related to the offer, sale and purchase of interests in pooled investment vehicles, (c) financing costs and expenses including but not limited to (i) placement agent fees, the costs of entering into any financing, any upsizing or additional issuance, any repricing or refinancing and of any amendment, waiver or modification thereof, (ii) rating agency fees and expenses in connection with rating liabilities issued by the client or its subsidiary or in connection with rating the underlying loans, (iii) the payment of interest and principal with respect to their debt, (iv) fees, expenses and indemnities of various service providers and agents including but not limited to trustees, independent board members or independent managers and other service providers, (d) fees, expenses and indemnities of FE Private Credit, as investment adviser, of such client’s Independent Review Party, and of such client’s custodians and other service providers, (e) costs for professional services for itself and its subsidiaries and reimbursement of such expenses incurred by FE Private Credit, as investment adviser and manager on their behalf, including but not limited to fees and expenses of (i) legal advisers, consultants, rating agencies, accountants (including tax accountants and auditors), brokers and other professionals, (ii) asset pricing and valuation services and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the client’s direct and indirect assets, (iii) taxes (including but not limited to withholding taxes payable and required to be paid by obligors or their agents), regulatory and governmental charges, (iv) insurance costs and expenses related to litigation and indemnification, (v) costs and expenses incurred in connection with

the acquisition or disposition of investments (whether or not actually consummated) and the management thereof, including but not limited to deal fees, origination fees, structuring fees, transfer fees, brokerage fees, deferred sale charges fees, costs and expenses of loan agents and attorneys' fees and disbursements, and (vi) extraordinary expenses. These expenses are typically set forth in, and required to be paid pursuant to, the Relevant Documents. As discussed more fully under Item 12, "Brokerage Practices", below, to the extent that FE Private Credit incurs brokerage costs, commissions or other transaction costs directly or indirectly on behalf of a client, such costs will be borne by the client.

Loan Related Fees for Services

FE Private Credit will underwrite and originate loans, some of which clients will acquire. Typically, FE Private Credit receives and retains for itself compensation from the related loan obligors (*i.e.*, each borrower or guarantor of a loan) or otherwise receives fees or compensation in connection with such loans. Fees and compensation retained by FE Private Credit includes, but is not limited to, structuring, commitment, origination, syndication, monitoring, agent and/or other fees. These fees serve to compensate FE Private Credit for services provided by FE Private Credit in connection with the loans and are not the type of fees typically received by lenders on such loans. Consequently, these fees are not offset by FE Private Credit against management fees paid by its clients for investment advisory and management services. FE Private Credit gives clients the benefit of original issue discount for newly originated loans acquired by a client at or shortly after origination and clients are entitled to receive other fees that are typically received by lenders with respect to loans, such as prepayment and amendment fees.

FE Private Credit's receipt of fees for services with respect to loans that may be offered to or acquired by clients represents a potential conflict of interest to the extent that FE Private Credit has an economic incentive to underwrite and originate, and recommend or cause clients to invest in, such loans. FE Private Credit seeks to mitigate this conflict through an allocation policy (as described in Item 11) that does not permit FE Private Credit to make allocation decisions on the basis of whether or not a particular client permits FE Private Credit to retain such fees.

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

As discussed in Item 5, "Fees and Compensation", above, FE Private Credit is entitled to performance fees from its existing CLO Clients and performance fee arrangements could also be established with other clients. Because compensation arrangements are negotiated with clients, the nature and calculation methodology for compensation FE Private Credit receives from one client or type of client can differ from compensation paid by others. The presence of performance fee arrangements for some clients but not others, and differences in how performance fees are calculated, creates an incentive for FE Private Credit to favor clients that pay higher performance fees over those that pay lower (or no) performance fees. For example, FE Private Credit may have an incentive to allocate investments it believes will perform more favorably to clients with higher performance fees. In addition, performance fees represent a potential incentive for FE Private Credit to select or recommend investments for clients paying such fees that are more risky or speculative than those that would be recommended under a different fee arrangement. Additionally, FE Private Credit could benefit under certain performance fee arrangements by accelerating or delaying the timing and recognition of capital gains for a client, which (depending on the relevant contractual arrangements) FE Private Credit may control.

Asset based management fees also create potential conflicts of interest as FE Private Credit would benefit from increased leverage by a client and FE Private Credit (depending on contractual arrangements) may control the timing and the amount of leverage used by such client. FE Private Credit could also have an incentive to favor clients in allocating investment opportunities, based on the client's use of leverage.

FE Private Credit seeks to address these conflicts of interest through its allocation policy. Under the allocation policy, FE Private Credit will seek to allocate investment opportunities in loans originated and underwritten by FE Private Credit that are within the investment strategy of the related clients fairly and equitably over time in accordance with applicable law, without regard to the client's leverage level or fee structure. See Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

Item 7. Types of Clients

FE Private Credit's clients include Funds, CLO Clients and SMAs. Fund investors and CLO investors and SMA clients typically include banks, insurance companies, business development companies, other private or public funds, businesses or entities, endowments, pension funds, high net worth individuals and family offices. In some cases, FE Private Credit employees may invest in FE Private Credit managed funds including managed CLO's. Except as is otherwise specified in Relevant Documents, investors in these investment vehicles are required to be (i) "accredited investors" as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "'33 Act") and/or "Qualified Institutional Buyers" as defined in Rule 144A under the '33 Act or (ii) either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act of 1940, as amended (and for purposes of Section 3(c)(7) thereunder).

The terms and conditions of client accounts may vary from client to client depending on the type of client or type of services provided but separately managed accounts generally require a minimum of \$100 million in managed assets. For Funds and CLO Clients, the investment minimums for investors are specified in the Relevant Documents. In certain cases, investment minimums may be reduced or waived by FE Private Credit.

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

Investment Strategies and Methods of Analysis

FE Private Credit's advice to clients generally relates to secured and unsecured loans and related assets including, but not limited to, loans, equity securities (which may include warrants in some cases) and other assets acquired in exchanges, restructurings, work outs or the exercise of remedies with respect to the loans, liquid temporary investments of cash and payments and proceeds received with respect to such assets. FE Private Credit seeks current income and return of principal for its clients through the acquisition, holding and disposition primarily of below investment grade, middle market loans to mid-size non-public companies and broadly syndicated loans, but clients may hold other types of assets. Loans may be acquired from or sold to FE Private Credit or its affiliates or from unaffiliated third parties. As noted above, clients may acquire loans directly or indirectly through subsidiaries.

Further, FE Private Credit's investment philosophy is anchored on the belief that competitive risk adjusted returns can be achieved by actively managing portfolios utilizing its investment process. FE Private Credit concentrates on the valuation of companies and securities, determined by rigorous fundamental analysis. FE Private Credit seeks to capture value by focusing on the most inefficient segments of the market and on the securities of underfollowed credits and companies. FE Private Credit targets investment opportunities which FE Private Credit believes offer attractive total return potential with less than commensurate risk.

FE Private Credit frequently causes its clients to acquire, loans that it has originated (i.e., FE Private Credit has credit underwritten the loan and either it or its client (or both) has been an initial lender making such loan directly to the underlying loan obligor or has participated in the initial lending syndicate for such loan). As a loan originator, FE Private Credit provides senior, secured or unsecured cash flow loans and, to a lesser extent, second lien loans to companies, these loans are primarily used to help finance the acquisitions of mid-sized companies with annual cash flow (EBITDA) typically between \$15 million and \$50 million, such acquisitions are often times supported by private equity investment funds managed by established professional alternative asset managers, FE Private Credit may elect to make loans to companies that are either smaller or larger than the aforementioned target amounts.

Loans acquired by clients, whether originated by FE Private Credit or by a third party, are credit underwritten by FE Private Credit. FE Private Credit will perform a credit analysis with respect to the underlying loan obligors on each such loan, including an analysis of the capital structure of the underlying loan obligor(s) and the priority of the loan in the loan obligor's capital structure. This analysis will include a review of creditworthiness of the underlying loan obligor and of the collateral, if any, securing the loan. With respect to certain non-discretionary SMAs, the client or its representative may be responsible for conducting its own due diligence with respect to any loans recommended by FE Private Credit.

FE Private Credit's investment activities involve a significant degree of risk that clients and investors should be prepared to bear. While FE Private Credit seeks to provide investment advisory services to its clients so that risks are appropriate to the return potential for the client's investment strategy, it is not possible to fully mitigate risks. An investment in a FE Private Credit Fund, CLO Client or SMA contemplates the risk of loss and there can be no guarantee that a particular level of return will be achieved. Investors should be aware that Funds, CLO Clients and SMAs are not diversified among a variety of different investment types or intended to provide a complete investment program. FE Private Credit assumes that investors in a Fund, CLO Client or SMA will not invest all of their assets therein. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss. As it is not possible to identify all of the risks associated with investing, this section discusses certain material risks of FE Private Credit's investment activities. Investors and prospective investors in a FE Private Credit advised client should consult the related Relevant Documents for a more detailed discussion of applicable risks for any particular Fund, CLO Client or SMA.

Risk Factors

Risks of FE Private Credit's Investment Strategy

Dependence on FE Private Credit. The success of clients' investment programs depends on the ability of FE Private Credit to perform credit underwriting due diligence when acquiring loans on behalf of, or recommending loans to be acquired by, clients, and to manage, leverage (if applicable), and dispose of such loans, as appropriate. Clients for which FE Private Credit has discretionary authority will be particularly dependent on the managerial experience of FE Private Credit and certain of its officers and

employees. The loss of one or more of such officers or employees could have a material adverse impact on clients. FE Private Credit's credit underwriting due diligence of loans, related loan obligors and collateral will require the application of significant judgment, which may not be correct.

Use of Leverage and Subsidiaries. For many clients, FE Private Credit expects to direct such clients (or one or more subsidiaries thereof) to borrow money or otherwise incur leverage in connection with the acquisition or financing of their loan portfolios. While the use of leverage can potentially increase profits, it may also result in an increased risk of loss and increased volatility to the client including increased risk of loss relating to adverse fluctuations in interest rates, downturns in the leveraged loan market or the economy and the possible inability to refinance such debt when it matures or liquidate the related loan portfolio for an amount sufficient to pay such debt and return capital and/or profits to the client or its investors. Any such event or any other event that adversely affects the value of a client's direct or indirect investment in its loan portfolio could result in a substantial loss to the client and its investors which would be greater than if such client's account was not subject to leverage. Interest or similar costs associated with such leverage will be a direct or indirect expense of the related client, and, to the extent not covered by net returns attributable to the assets acquired, will cause the returns of such clients to be lower than if they have not used leverage. Interest or similar costs associated with leverage may be based on one or more interest rate indices different than that the interest rate indices applicable to the assets supporting such leverage, which mismatch will not necessarily be hedged. If an event of default occurs under the related facility, the lenders or other counterparties to the facility (or some designated portion or agent thereof) would be able to exercise remedies with respect thereto including but not limited to the liquidation of or taking title to the collateral for such facility which will terminate the rights thereto of the client or of its subsidiary, as applicable, and could result in a full or partial loss of the client's direct or indirect investment therein.

As noted above (see Item 4, "Advisory Business"), many clients of FE Private Credit will make investments in loans and/or other assets indirectly through subsidiaries that FE Private Credit or the client creates for leverage, liability, tax or other reasons. Such investments carry risks in addition to those carried by direct investments. Among other risks, investments in the equity of a subsidiary are legally subordinate to debts and liabilities of the subsidiary in a bankruptcy of the subsidiary and under contracts entered into by the subsidiary. Furthermore, the duration, term, liquidity or other characteristics of the subsidiary may differ from those of the client which would affect the ability of a client to receive distributions from the subsidiary and which may affect the duration and term of the client.

Hedging and Other Derivative Transactions. FE Private Credit does not currently expect to recommend the use of credit default swaps and generally does not recommend that its clients enter into derivative transactions. Clients may suffer a loss due to unhedged risk.

Risk of Default on Loans. Loan obligors could be susceptible to economic recession or down turns and may be unable to meet covenant requirements or service their obligations for indefinite periods of time. In addition, the credit markets are subject to volatility and a changing regulatory environment that could limit the availability of credit being provided by lenders with the result that a loan obligor might not be able to refinance its debt at or prior to maturity. This could lead to default under the related loan and, consequently, termination of the loan or a write down or other reduction in the value thereof, and the exercise of remedies with respect thereto. In such cases, clients (and their investors) could suffer losses resulting from an inability to recover all or a portion of their investment in defaulted loans. Moreover, disruption in the credit or other financial markets leading to increased loan defaults and credit downgrades of loan obligors could negatively affect the liquidity and pricing of loans in a client's portfolio.

Illiquid Assets; Valuation. Clients will acquire and own loans that are illiquid assets for which there often is not a ready market of purchasers and that often are subject to transfer restrictions and are not publicly traded. Clients' investments in illiquid assets could reduce their ability to dispose of such assets in a timely fashion and for a fair price. Illiquid assets may trade at a discount from comparable, more liquid investments such as rated debt issuances by similar companies. As a result, many loans will be directly or indirectly held by clients to their maturity. In addition, since most middle market loans are not publicly traded and have a lower level of liquidity than certain other assets, their fair value is inherently uncertain, may not be readily determinable and can be expected to fluctuate significantly. If and to the extent that FE Private Credit makes any determination of the fair value of any such loan in a client's portfolio, such determination could differ materially from the value that would be able to be obtained if such loan was sold in the market or from its value if and when it is ultimately sold.

Concentration. A concentration in a client's portfolio of loans to a limited number of underlying loan obligors or of loans in a limited number of industries or geographic regions or with a limited type of collateral securing such loans could impair the client's portfolio if the underlying obligors, industries, geographic regions were to experience economic difficulties or if the asset class collateralizing the loans were to fall out of favor in the market. As a result, obligors could default on their loans with the client being unable to recover the full amount owed on such loans. Under such circumstances clients (and their investors) might not realize their rate of return objectives and could suffer losses.

Participation on Creditors' Committees; Lender Liability; Equitable Subordination. Representatives of FE Private Credit sometimes participate on committees formed by creditors to negotiate with loan obligors in connection with loan restructurings or bankruptcies. There can be no assurance that such representatives would be successful in obtaining results most favorable to a particular client in connection with such negotiations and significant legal fees and other expenses may be incurred in connection with such representation, all or a portion of which may be borne by the related client(s). Judicial decisions have upheld the right of loan obligors to sue lending institutions on the basis of various legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the loan obligor or has assumed a degree of control over the loan obligor resulting in the creation of a fiduciary duty owed to the loan obligor or its other creditors or equity owners. To the extent that FE Private Credit participates on such committees, FE Private Credit's clients could become subject to allegations of lender liability. FE Private Credit cannot provide assurance that these claims will not arise or that it (or such client) will not be subject to significant liability if a claim of this type did arise.

Ability to Acquire Loans on Advantageous Terms; Competition and Supply. The success of a client's investment strategy will depend, in part, on FE Private Credit's ability to identify loans for acquisition by clients on advantageous terms. In acquiring loans, clients will compete with a broad spectrum of loan originators and loan investors, some of whom have greater financial resources and are more well-known than FE Private Credit and its clients. Increased competition for, or a diminishment in the available supply of, eligible loans could result in higher prices for, and consequently lower yields on, such loans. In addition, FE Private Credit is dependent on its relationship with private equity sponsors and other middle market loan participants in sourcing a portion of the loans in which clients invest. If there is increased competition in the market making or acquiring loans in a manner that is more attractive to the loan obligor or loan seller than that of FE Private Credit on behalf of its clients or if the private equity sponsors or loan market participants with whom FE Private Credit currently does business find other sources of capital more attractive to them or determine that they do not want to work with FE Private Credit, FE Private Credit may not be able to identify a sufficient number or amount of suitable loans to satisfy its own and its clients' investment objectives in which case it is possible that not all of a client's

committed capital would be deployed or it could need to be deployed in a manner that does not fully achieve the client's rate of return objectives. In certain instances, FE Private Credit could identify a suitable investment opportunity but not be able to realize on it without the participation of other market participants whose participation FE Private Credit cannot control with the result that some of those opportunities would not come to fruition. FE Private Credit could have difficulty finding and sourcing sufficient new middle market loans to satisfy its own needs and its clients' investment objectives.

Diversification. While FE Private Credit expects to recommend or acquire and maintain, as applicable, a diversified portfolio for its clients, there is no guarantee that it will be able to do so. It is possible that a relatively substantial portion of a client's capital could be invested in one or a small group of loans and/or cash or temporary investments, particularly as a client's portfolio is ramping up or winding down. An unfavorable performance by one or more of such loans could have a substantial adverse economic impact on the client and the holding of cash or investment of cash in temporary investments for a longer period of time than initially contemplated could have an adverse economic impact on the client's rate of return objectives.

Assignments and Participations. Certain clients invest in loans directly by acting as an original lender making a loan to the loan obligor at its inception. Clients also can (and certain clients must), in some instances, invest in loans by assignment from a lender selling such loan to a client or, in some instances, by acquiring a participation interest therein. Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in such loan. Participation interests typically constitute the unsecured obligation of the participation seller to pay over principal and interest when and as received from the loan obligor. The holder of the participation interest takes not only the credit risk of the related loan obligor but also the credit risk of the participation seller; such holder lacks direct contractual privity with the loan obligor under the loan and frequently lacks certain voting rights with respect to the loan.

Risks of Asset Classes Recommended by FE Private Credit

Credit Risk. Credit risk can lead to client losses on loans. Credit risk refers to the risk of default by a loan obligor in the payment of principal and/or interest owed on the related loan and if there is inadequate collateral or other credit enhancement such that such loan is unlikely to be repaid in full if the loan obligor defaults. If a loan obligor defaults on a loan, a credit loss will occur if FE Private Credit determines on behalf of the applicable client that all or part of the principal thereof has become unrecoverable and will not be repaid, or for loans acquired at a discount, if FE Private Credit determines that the applicable client will not recover the acquisition price thereof.

Interest Rate Risk. Interest rate risk relates to the risk of market change in interest rates that may affect the value of loans held directly or indirectly by a client and the repayment rate of such loans. In general rising interest rates will have a negative impact on the price of fixed rate loans and of adjustable rate loans (although to a lesser degree until such adjustable rate loans are permitted to make a corresponding upward interest increase) and falling interest rates will have a positive impact on price, although falling interest rates also typically result in greater refinancing's or prepayments of the related loans in circumstances in which it is expected that clients and their subsidiaries will not be able to replace such loans at as favorable interest rates. Interest rate mismatches between the interest paid on the loans in a loan portfolio and the debt financing of a client or its subsidiary secured by such loan portfolio may result in the inability of the client or subsidiary to meet certain interest coverage tests or in a default on such debt which could result in the client not achieving its rate of return objectives

and/or a loss to such client. Borrowers in a loan portfolio may have the ability to shift between interest rate indexes, which may not match the interest rate index of the portfolio's debt financing.

Nature of the Loan Obligors and of Middle Market Loans. FE Private Credit's clients typically invest, directly or indirectly, primarily in senior secured loans to below investment grade, privately-owned, middle market companies typically sponsored by private equity firms. The proceeds of these loans are used by such companies principally for acquisitions, recapitalizations and refinancing's or other general corporate purposes. Investing in middle market companies involves significant risks. Compared to larger, publicly-traded companies and investment grade rated loan obligors, middle market companies generally have limited access to capital and higher funding costs, are often in a weaker financial position, need more capital to expand or compete and are less able to obtain financing from public capital markets or from traditional funding sources such as commercial banks. These companies can also be more vulnerable to variations in results of operations, changes impacting their industry and changes in general market conditions. They can also face intense competition, including from companies with greater financial, technical, managerial or marketing resources. These challenges can make it difficult for the underlying loan obligors to make scheduled payments of interest or principal on their loans. Accordingly, loans made to these types of loan obligors often entail higher risks than loans made to larger, publicly-traded companies. As a result, clients may not realize their rate of return objectives and could suffer losses.

FE Private Credit's clients typically invest primarily in senior, secured cash flow loans underwritten on the basis of the cash flow, profitability and enterprise value of the related loan obligor, with the value of any tangible assets securing the loans as secondary protection. To the extent permitted by their Relevant Documents, certain of FE Private Credit's clients can also invest in first lien/last out, second lien or unitranche loans. Such cash flow loans can have higher leverage ratios than those that would be available from bank lenders. In the case of senior cash flow loans, a lien is generally taken on substantially all of the loan obligor's assets, but the value of those assets is typically substantially less than the amount advanced to the loan obligor under the related loan. If a cash flow loan obligor defaults on its loan, the primary recourse for lenders under such loan to recover some or all of the principal of such loan would be to force the sale of all or part of the company as a going concern and/or restructure the loan and obtain restructured debt and/or equity ownership in the loan obligor as a means to recover some or all of the principal on the loan. Risks inherent in cash flow lending include, among other things:

- reduced use of or demand for the loan obligor's products or services reducing cash flow to service the loan and the value of the loan obligor as a going concern,
- inability of the loan obligor to manage working capital which could result in lower cash flow,
- inaccurate or fraudulent report of the loan obligor's financial position or financial statements,
- economic downturns, political events, regulatory changes, litigation or acts of terrorism that affect the loan obligor's business, financial condition and prospects,
- the loan obligor's poor management of its business, and
- if a loan obligor uses the proceeds of a cash flow loan to make an acquisition, poorly conceived or poorly executed acquisitions can cause a decline in the operations of the loan obligor's business, cash flow and value of the business as a going concern.

In addition, if a middle market loan obligor is controlled by a private equity sponsor who experiences financial difficulty or who has substantially reduced or eliminated its net investment in the loan obligor,

such sponsor might not be willing or able to provide the same level of managerial, operating or financial support to the related loan obligor.

Middle market loans involve a high degree of financial risk. Clients investing, directly or indirectly, in such loans might not meet their rate of return objectives and could suffer a substantial loss if such loans are not repaid by the related loan obligors.

Risks of Term B, Second Lien, Unitranche, First Lien/Last Out and Mezzanine Loans. For certain clients, to the extent permitted by their Relevant Documents, FE Private Credit may recommend the acquisition of, or acquire on behalf of such client, as applicable, Term B, second lien, unitranche, first lien/last out and mezzanine loans, which can increase such client's risk of loss because the client will be limited in pursuing its rights and remedies under such loans. Term B loans are fully secured senior loans that are equal as to collateral and junior as to right of payment to obligations to such loan obligor's senior lenders. Similarly, First Lien/Last Out loans are fully secured senior loans that are equal as to collateral and junior as to right of payment to lenders with respect to such loans who are entitled to be paid out first, prior to payment of the last out lenders. Second lien loans are junior as to both collateral and right of payment to obligations to loan obligors' senior lenders. Unitranche loans are fully secured senior loans that are underwritten to include elements of both first lien loans and second lien loans in a single credit facility and may include intercreditor arrangements whereby certain lenders agree to be paid junior as to right of payment to other lenders in connection with such credit facility. Mezzanine loans often will not have the benefit of any lien against the loan obligor's collateral and are junior to any lien holder both as to collateral and payment. As a result of their junior nature, FE Private Credit (on behalf of the related client) is often limited in its ability to enforce such client's rights to collect principal and interest on these loans or to recover any of the loan balance through a foreclosure of collateral. In many instances, clients would also be prohibited from foreclosing on a Term B, last out tranche of a first lien/last out or of a unitranche credit facility, second lien or mezzanine loan until the senior loan or first out tranche of a first lien/last out or of a unitranche credit facility is paid in full. Moreover, any amounts that a client might realize as a result of its collection efforts or in connection with a bankruptcy or insolvency proceeding involving a loan obligor under a Term B, first lien last out, unitranche, second lien or mezzanine loan must generally be turned over to the senior lender until the senior lender of the first out lenders under such a facility, as applicable, until they have realized the full value of their own claims. These restrictions could materially and adversely affect such clients' ability to recover the principal of any non-performing Term B, first lien/last out, unitranche, second lien or mezzanine loans.

Balloon Loans and Bullet Loans. Most of the loans acquired by clients are expected to be balloon loans or bullet loans which tend to be more risky than other types of loans. Balloon and bullet loans are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the loan obligor to make a large final payment upon the maturity of the loan. The ability of a loan obligor to make this final payment upon the maturity of the loan typically depends upon its ability either to refinance the loan prior to maturity or to generate sufficient cash flow to repay the loan at maturity. The ability of a loan obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to the loan obligor, the financial condition of the loan obligor, the marketability of the related collateral, the operating history of the related business, tax laws, laws and regulations affecting the ability of lenders to extend credit to such loan obligors on terms mutually acceptable to the lenders and the obligors, and the prevailing general economic conditions. Consequently, the loan obligor may not have the ability to repay the loan at maturity and clients could lose all or most of the principal invested in such loans and suffer losses.

Inadequacy of Collateral. The collateral securing a loan will not always be sufficient to protect clients from a partial or complete loss if the loan becomes non-performing and remedies are exercised with

respect thereto. While some loans owned by clients will be secured by liens on specified collateral of the related loan obligors, there is no assurance that the collateral securing any particular loan will protect a client from suffering a partial or complete loss if the loan becomes non-performing and remedies are exercised under the related loan documents. The collateral will be subject to inherent risks that could limit the client's ability to recover the principal of a non-performing loan and could result in a loss for the client.

Bankruptcy and Restructuring Risk. There is a significant risk that one or more of the loan obligors of loans held by the clients will enter bankruptcy proceedings. Such proceedings can result in, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of the related loan. There are a number of significant risks inherent in the bankruptcy process. First, rulings in a bankruptcy case are the product of adversarial proceedings determined by a court with equitable powers, and are beyond the control of specific creditors. Second, a bankruptcy filing could adversely and permanently affect the loan obligor making such filing. The loan obligor could 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 loan obligor often will not equal the liquidation value that was believed to exist at the time of acquisition of the loan. 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 debtor and official committees in connection with the bankruptcy case are frequently high and will be paid out of the debtor'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 are often devoted to such administrative costs; a creditor's costs in monitoring and enforcing its investment also is likely to increase substantially. As noted in Item 5 "Fees and Compensation", these costs are typically borne by clients and will serve to diminish potential return. 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 are subject to equitable subordination or re-characterization 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 disgorgement as preferences or fraudulent conveyances.

Risks relating to Syndicated Loans. In many cases, clients will acquire loans in a syndicated loan facility to which more than one lender is a party. These loan facilities are administered by a designated lender or other agent acting as the loan administrator on behalf of the lenders and it or another service provider may receive payments from the loan obligor and distribute them to the lenders. FE Private Credit sometimes acts as loan administrator or loan agent for certain loans and may, as noted in Item 5 "Fees and Compensation", earn a fee for doing so. If FE Private Credit does not act as loan administrator, it sometimes will not have direct access to the loan obligor and, as a result, typically will not receive the same financial or operational information that it is in a position to receive when it does act as loan administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders or some percentage thereof or by the loan administrator, as required under the underlying loan documents, and certain rights and remedies under such a loan facility may be initiated, exercised or directed by a specified percentage of the lenders. Generally, any such agreement or direction must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous, vote, consent or direction of the lenders. FE

Private Credit's clients typically will have a minority interest in such loan facilities. Consequently, the terms and conditions of such a loan facility could be modified, amended or waived in a manner contrary to the preferences of FE Private Credit or its clients, as the case may be, if a sufficient number of the other lenders concurred with such modification, amendment or waiver. Similarly, FE Private Credit or its clients, as the case may be, would not be able to initiate, exercise or direct a right or remedy otherwise available to the lenders if a sufficient number of the other lenders want to take a different approach. There can be no assurance that any loan acquired by a client under such a loan facility will maintain the terms and conditions applicable thereto when the client initially acquired such loan or that FE Private Credit on behalf of its clients will be able to initiate, exercise or direct rights or remedies relating to such loan facility.

CLO Collateral. A CLO invests in a diversified pool of corporate credit instruments that provide collateral for the investors of the CLO. The collateral is predominantly non-investment grade senior loans as well as other corporate credit instruments such as high yield bonds. FE Private Credit acts as the collateral manager for CLOs on behalf of the various investors of the respective CLOs. FE Private Credit's CLO Clients rely on it as Collateral Manager to maintain adequate collateral values during the life of the respective CLOs such that the asset values will be sufficient to repay, in full, the debt obligations of the CLO as those obligations become due. There is a risk that the value of the collateral may decline and not be sufficient to fully repay all of the obligations upon maturity. There is also a risk that significant fluctuations in the value of the collateral may require certain actions be taken by FE Private Credit, as Collateral Manager, such as the sale of collateral or limitations on FE Private Credit's ability to purchase new collateral. FE Private Credit's CLO Clients have the ability to monitor such risks from the trustee reports that calculate, on a monthly basis, the value of the collateral in relation to the CLO liabilities. Additional risks associated with CLO Collateral are referenced in the respective CLO Indentures.

CLO Structure. A CLO is similar to a closed-end investment fund in that it is an investment vehicle that has a specific investment strategy, a designated investment manager and all investment/trading activity is governed by an indenture and reported upon by an independent trustee. The CLO structure, however, utilizes financial leverage to purchase assets (corporate loans and other credit instruments) and, by doing so, allocates risk of loss among various classes of investors. The individual investor classes (or tranches of debt) each have a unique claim on the assets of the CLO in terms of their priority of payment for both interest and principal proceeds of the collateral. The senior debt tranches have a priority claim on the cash flows generated by the assets of the CLO over the junior debt tranches. To the extent that losses are suffered on the collateral, or the cash flow generated by the assets is not sufficient to pay interest and principal on the debt tranches, the holder(s) of the most subordinated notes bear the initial risk of loss before any such losses are incurred by more senior debt tranches. Additional risks associated with CLO Structure are referenced in the respective CLO Indentures.

Non-U.S. Securities. Although FE Private Credit's clients focus primarily on U.S. leveraged loan and high yield fixed income securities, they may also invest in non-U.S. securities. Investing in securities of non-U.S. governments and companies, which are generally denominated in non-U.S. currencies, and utilization of currency forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks. Investments that are not denominated in U.S. dollars are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. FE Private Credit may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

Item 9. Disciplinary Information

Not Applicable.

Item 10. Other Financial Industry Activities and Affiliations

As discussed in Item 4 “Advisory Business”, FE Private Credit’s principal strategy in its capacity as the alternative credit group of FEIM is providing below investment grade, middle market loans to mid-size non-public companies. Loans are originated by FE Private Credit’s lending groups. FE Private Credit believes that its position in the market as a loan originator is generally beneficial to clients insofar as gives its clients the opportunity to acquire loans originated by FE Private Credit consistent with FE Private Credit’s allocation policy. FE Private Credit transfers loans that it originates to its client accounts in accordance with the Relevant Documents (including any investment guidelines or restrictions), FE Private Credit’s allocation policy and procedures and the applicable provisions of the Advisers Act.

As discussed in Item 5 “Fees and Compensation”, FE Private Credit receives, depending upon the nature of the loan and services provided by FE Private Credit with respect thereto, structuring, commitment, origination, placement, syndication, monitoring agent and/or other fees for services provided in connection therewith. FE Private Credit generally will retain these fees in their entirety. As of the date of this Brochure, neither FE Private Credit nor any of its management persons or affiliates is registered, or has an application pending to register, as a broker-dealer (or a registered representative of a broker-dealer), futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities. FEF Distributors, LLC (“FEF Distributors”), a wholly owned subsidiary of FEIM, serves as distributor and principal underwriter to certain of FEIM’s clients, as well as certain of FE Private Credit’s clients, and is registered as a limited purpose broker-dealer.

First Eagle Private Credit, LLC acquired First Eagle Private Capital Advisors, LLC, a registered investment adviser, in October 2015. First Eagle Capital LLC provides discretionary advisory services primarily with respect to broadly syndicated loans to private investment funds and separately managed accounts and serves as collateral manager for collateralized loan obligation vehicles. In certain circumstances, First Eagle Capital LLC’s clients might acquire loans underwritten by FE Private Credit or purchase loans from FE Private Credit’s clients in the secondary market. Such transactions create a potential conflict of interest. In addition, FE Private Credit may purchase interests in the collateralized loan obligation vehicles managed by First Eagle Capital LLC for credit risk retention or other reasons. It is expected that such purchases would be held by FE Private Credit or a Proprietary Subsidiary and not by FE Private Credit’s clients.

In addition, several private investment funds managed by Blackstone (including BCP VI) and Corsair, private equity firms and certain co-investors, indirectly own or have the power to direct a controlling interest in FE Holdings. (Blackstone Management Partners, L.L.C., a registered investment adviser, is the investment adviser to BCP VI. Corsair Investments, L.P., a registered investment adviser, is the investment adviser to private investment funds that hold Corsair Mentor. Blackstone and Corsair own and/or control other investment advisers, broker-dealers and sponsors of investment funds.) FE Private Credit is a wholly-owned subsidiary of FE Holdings and is held out at the alternative credit group of FEIM. From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of Blackstone and Corsair, their affiliates and personnel. In addition to policies and procedures that have been adopted by FEIM to mitigate potential conflicts and comply with applicable law, Blackstone and Corsair have adopted certain policies and procedures (e.g., information barriers) to mitigate potential conflicts of interest that each has with its portfolio companies and to address certain regulatory requirements and contractual restrictions. This could result in reduced investment opportunity for FEIM and FE Private Credit's clients.

Certain of FE Private Credit's supervised persons serve in a dual capacity as an employee of one or more affiliated registered investment advisers, including First Eagle Capital LLC. The compensation of dual employees that provide services to multiple entities is based on a number of factors, which may include, but is not limited to, the profitability of the affiliated entities, the performance of client accounts at the affiliated entities, and the amount of assets under management at the affiliated entities. As a result, dual employees have an incentive to allocate more of their time and attention to more profitable affiliated entities, which creates a conflict of interest. These conflicts are mitigated by each such supervised person's responsibility to (i) be subject to the supervisory oversight of each affiliated entity when acting on its behalf, and (ii) render services in the client's best interest pursuant to FE Private Credit's Code of Ethics. See Item 11 "Code of Ethics and Personal Trading, Participation or Interest in Client Transactions. In addition, certain of FEIM's employees have interests in or are affiliated with other investment advisers, broker-dealers or financial services firms. Directors of FE Holdings who are not employees of FEIM may have other industry affiliations with other financial firms, including by serving as directors of broker-dealer firms which do business with FEIM and its clients.

Information Barriers and the Restricted List Practice. FEIM and FE Private Credit have determined that certain positions in syndicated loans (which may be "securities" under the federal securities laws) and other similar financial instruments may be held in the portfolio holdings of both FEIM and FE Private Credit's advisory clients from time to time. FEIM and FE Private Credit have determined that an information barrier practice is appropriate in order to mitigate potential risks. FEIM and FE Private Credit employees are instructed and trained on their responsibilities not to discuss investment activities with employees on the other side of the information barrier. The practice requires that legal and compliance personnel monitor the barrier and manage communications between FEIM and FE Private Credit related to potential conflicts and receipt of material non-public information. Notwithstanding internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in FEIM or FE Private Credit, or one of its investment professionals, inappropriately buying or selling a syndicated loan while FEIM or FE Private Credit is in possession of material non-public information. This could adversely affect the reputation of FEIM and FE Private Credit, resulting in the imposition of regulatory or financial sanctions and, as a consequence, negatively impact FEIM and FE Private Credit's ability to perform investment management services on behalf of clients

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

As an investment adviser, FE Private Credit stands in a position of trust and confidence with respect to its clients. FE Private Credit and its personnel have a fiduciary duty to place the interests of FE Private Credit's clients before their own interests and to act honestly and fairly in dealings with clients. All of FE Private Credit's personnel must also comply with all applicable laws including, without limitation, federal securities laws, other applicable laws and the rules governing capital markets. FE Private Credit has developed a compliance program consisting of a code of ethics and a compliance manual reasonably designed to promote compliance by FE Private Credit and its personnel with these duties and applicable law.

FE Private Credit has adopted a code of ethics pursuant to Rule 204A-1 under the Advisers Act that includes a personal trading policy requiring access persons to disclose their personal investing and trading activities (subject to certain exceptions consistent with Rule 204A-1) in a timely manner. FE Private Credit also maintains a "restricted list" of companies in which FE Private Credit and/or its personnel may be restricted as to their trading activities. As a general matter, an employee may not trade securities of a company included on the restricted list; however, exceptions may be granted by FE Private Credit's Chief Compliance Officer. FE Private Credit may also require employees to pre-clear transactions in the securities of certain issuers that are not on the restricted list, as determined by FE Private Credit from time to time or as required by Rule 204A-1. FE Private Credit will provide a copy of its code of ethics to any client, any prospective client or investor upon request, by calling the telephone number on the front of this brochure.

In the course of conducting its lending and investment advisory businesses, FE Private Credit or its personnel may come into possession of information that it believes to be confidential or material non-public information that, if disclosed, might be material to a decision to buy, sell or hold a security. When in possession of such information, FE Private Credit may be prohibited from communicating such information to, or acting upon such information for, itself or a client. FE Private Credit's policies with respect to the control of non-public information prohibit FE Private Credit or its personnel from communicating such information outside of FE Private Credit or within FE Private Credit to persons other than the CCO and certain executive officers of the firm and that seek otherwise to assure that FE Private Credit is meeting its obligations to clients and under applicable law (including by placing issuers as to which FE Private Credit has such information on a restricted list). FE Private Credit will have no responsibility or liability to any client for not disclosing such information to, or using such information on behalf of, the client. Client's understand that FE Private Credit's receipt of such information could result in FE Private Credit being unable to make a recommendation or enter into a transaction that might otherwise be to the client's benefit.

FE Private Credit has also adopted policies regarding gifts and entertainment, and political contributions.

Principal and Cross Transactions

FE Private Credit (either directly or through a Proprietary Subsidiary) will, from time to time, sell assets to (or purchase assets from) a client. Such transactions are considered to be “a principal transaction” within the meaning of Rule 206(3) of the Advisers Act and represent a conflict of interest. As such, FE Private Credit will disclose the material terms (including information about the price, the capacity in which FE Private Credit is acting and any compensation or other remuneration that FE Private Credit or any of its affiliates may receive) to, and obtain the consent of, the client or of its Independent Review Party prior to completing the transaction.

FE Private Credit may also cause clients to enter into cross-transactions whereby one client sells securities to another client. Whenever FE Private Credit intends to have two clients enter into cross trades with each other, FE Private Credit will first make a determination that the cross trade is fair and equitable to each client. Cross trades are executed at fair market value, as determined by FE Private Credit either (a) by reference to quotes from dealers or other buyers in the middle market loan market or the price paid by an unrelated buyer in a contemporaneous sale of such loans on the same terms, or (b) to the extent that there are no such quotes or independent sales or the price paid in such sale is not reasonably ascertainable by FE Private Credit, the price that an unrelated independent secondary market buyer would pay for such loan in an arm’s length transaction based on FE Private Credit’s commercially reasonable judgment. Generally, with respect to any loan that FE Private Credit is carrying on its books when it is making a determination pursuant to clause (b), FE Private Credit expects to determine the fair market value thereof to be equal to the value at which FE Private Credit is carrying such loan on its books (net of any fees for services retained by FE Private Credit as described in Item 5 “Fees and Compensation”), provided there has been no material change known to FE Private Credit in the financial condition of the underlying obligor.

Because most of the assets in which clients invest are not publicly traded, the value of such assets may be difficult to determine. FE Private Credit seeks to value such assets in good faith, as described above. Such good faith valuations require the application of a significant amount of judgment, are inherently uncertain, will fluctuate and are often based on estimates and assumptions. FE Private Credit’s determination of the fair value of an asset may differ materially from the values that would have been applied if an active market for the asset existed and from the price at which such asset may ultimately be sold. Differences in fair value and actual sale value may adversely impact clients.

Other Conflicts of Interest

FE Private Credit, its affiliates (including Proprietary Subsidiaries), their respective directors, officers, shareholders, partners, members, managers and personnel and their respective clients (“Related Entities”) have invested and may continue to invest in loans or securities that would also be appropriate for a client. Such investments may be similar to, or different from, those made by or on behalf of a client. Neither FE Private Credit nor any Related Entity has any duty, in making or maintaining such investments, to act in a way that is favorable to a client or, except as required by its allocation policy or by contract, to offer any such opportunity to any client.

FE Private Credit expects that clients will acquire loans, made under loan facilities in which FE Private Credit and/or one or more of its Proprietary Subsidiaries own loans. FE Private Credit may originate and/or underwrite loans that clients will hold and FE Private Credit or its Proprietary Subsidiaries may acquire or retain interests in these same loans for their portfolios. As discussed above under “Principal Transactions”, before FE Private Credit recommends, or causes a client to purchase, a loan from FE Private Credit or one of its Proprietary Subsidiaries, FE Private Credit will provide disclosures to, and seek the consent of, the client or the client’s Independent Review Party.

To address conflicts of interests associated with these transactions, FE Private Credit maintains an allocation policy that requires it to offer an equal amount of loans originated or underwritten by FE Private Credit above FE Private Credit's proprietary hold limit (which is calculated taking into account all credit exposures of FE Private Credit and its Proprietary Subsidiaries to the related loan obligor) to (i) FE Private Credit and its subsidiaries, (ii) clients whose investment strategy includes such loans and (iii) entities with whom FE Private Credit has entered into an agreement to provide co-investment rights in such type of loan, so long as such agreement remains in effect (each an "Allocatee"), provided that any Allocatee may decline to take all or any portion of its allocation in which case such allocation will be made available on an equal basis (except as otherwise provided below) to those Allocatees who did not decline to take their allocation, on an iterative basis, until such time as all amounts available have either been declined or allocated. FE Private Credit will seek to allocate investment opportunities fairly and equitably over time in accordance with applicable law. In such circumstances FE Private Credit may allocate such opportunities among itself, its Proprietary Subsidiaries, its clients, persons to whom it as entered into an agreement to provide co-investment rights in the relevant investment type, and others, as applicable, on a basis that FE Private Credit determines in good faith is appropriate taking into consideration such factors as any allocation and/or co-investment policy agreed to in writing with any such person(s), as applicable, contractual and legal duties owed to any such person(s), as applicable, the primary investment mandates of each potential participant in the opportunity, the capital available to each, any restrictions on investment applicable thereto, the sourcing of the transaction, the size of the transaction, the amount of potential follow-on investing that may be required for such investment and the other investments held by each, the relation of such opportunity to the investment strategy thereof, reasons of portfolio balance, the remaining investment or reinvestment period thereof and any other consideration deemed relevant by FE Private Credit acting in good faith. With respect to any such persons who directly or indirectly finance all or a portion of their assets, such factors may include, but are not limited to, seeking compliance with or optimization of collateral quality tests, portfolio concentration limits, overcollateralization triggers, interest coverage tests or any other test that diverts cash flow from payment to the equity owners of the related entity, covenant compliance and the curing of any default or event of default under the applicable financing documents.

FE Private Credit may revise its allocation policy from time to time in its sole discretion and in accordance with applicable law. To the extent FE Private Credit enters into agreements providing for the allocation of certain types of investment opportunities to one or more particular clients or the ability of certain persons to co-invest therein, such agreements may have the effect of reducing the amount of any particular investment opportunity that is available to other clients.

If FE Private Credit acquires or sells a loan at the same time on behalf of both clients and itself or its Proprietary Subsidiaries, FE Private Credit will endeavor to acquire and sell the loans for all accounts side by side, participating on materially the same terms and conditions, to the maximum extent practicable. Moreover, FE Private Credit may sell a loan from one client while retaining the loan in another client or on its own balance sheet.

FE Private Credit and its Related Entities expects to have economic interests in, and other relationships with, some of the loan obligors of loans in which clients will invest. Such economic interests may be *pari passu*, senior or junior in ranking to a loan acquired and/or held by a client. In addition, partners, security holders, members, managers, officers, directors, agents or employees of FE Private Credit or its Related Entities may serve on the board of directors, board of managers or board of members of, or otherwise have ongoing relationships, with a loan obligor. These relationships could result in a client being restricted as to transactions in such loans or other securities issued by a loan obligor and otherwise create conflicts of interest between FE Private Credit and its client. In such instances, FE

Private Credit and its Related Entities may in their discretion make investment recommendations and decisions that may be the same as or different from the investment recommendations and decisions, as applicable, made by FE Private Credit with respect to the loans of a client.

FE Private Credit's or its Related Entities' relationships with loan obligors may create a conflict of interest when FE Private Credit services or administers a client account or a loan to the extent that such relationships may create an incentive for FE Private Credit to take an action that benefits FE Private Credit or its Related Entities, or the loan obligor or its affiliates, in order to foster such relationships, which could also adversely affect the interests of a client in its loans. Furthermore, in accordance with its fiduciary duties to a client under the Advisers Act, FE Private Credit may take, or be required to take, actions which could adversely affect the interests of its other clients.

FE Private Credit and its Related Entities may also have ongoing relationships with, render services to or engage in transactions with their respective affiliates and clients, including, but not limited to other funds, separate accounts or issuers of collateralized loan obligations, who invest in assets of a similar nature to those of a client, and with loan obligors whose loans are acquired by a client and may own equity or debt securities issued by loan obligors of loans, or with affiliates of such loan obligors or have other financial relationships therewith.

In connection with the foregoing activities FE Private Credit and its Related Entities may from time to time come into possession of material nonpublic information. As noted above, FE Private Credit's possession of such information will limit FE Private Credit's ability to make recommendations or effect transactions for a client in loans or securities of the related issuer. As a result, a client's freedom of action with respect to investments may be constrained, which can have an adverse impact on performance. In addition, personnel or affiliates of FE Private Credit and its Related Entities may possess information relating to loan obligors of loans that is not known to the individuals at FE Private Credit who are responsible for monitoring such loans and performing the other obligations FE Private Credit may owe to a client.

Although, as noted previously, FE Private Credit's personnel will devote as much time to a client as FE Private Credit deems appropriate to perform its duties with respect thereto, such personnel may have conflicts in allocating their time and services among FE Private Credit, its Proprietary Subsidiaries and FE Private Credit's clients.

The directors, officers, personnel and agents of FE Private Credit and its Related Entities may serve as directors (whether supervisory or managing), officers, employees, partners, managers, agents, nominees or signatories for a client or any other Related Entity, or for any loan obligor in respect of any loan, or any affiliate thereof, to the extent permitted by such person's governing instruments or by any resolutions duly adopted thereby. Additionally, FE Private Credit or its Related Entities, or personnel acting on their behalf, may participate in creditors' committees with respect to the bankruptcy, restructuring or workout of loan obligors of loans.

In such cases, these persons will have divided loyalties and responsibilities to FE Private Credit, its Related Entities and such loan obligors or affiliates, as applicable. Such persons' duties as a director, officer, etc., for such persons could compel certain actions when acting on behalf of such person in such capacity that would be different from actions which might be taken if only required to consider the interests of a client and, in certain cases, could result in taking a position that is adverse to the interests of a client in the related loan. Additionally, these engagements may result in FE Private Credit obtaining material, nonpublic information that it may be prohibited by applicable law from providing to a client.

Item 12. Brokerage Practices

FE Private Credit has a duty to execute transactions for client accounts in the best interests of the client and, in that connection, seeks to obtain best execution of client portfolio transactions. However, unlike trading in public equities, FE Private Credit's execution of middle market loan trades on behalf of clients does not typically involve market participants who are registered as broker dealers under the Securities Exchange Act. For loans, FE Private Credit seeks to negotiate the most favorable terms readily available under the circumstances and seeks to minimize transaction costs to the extent possible, consistent with maintaining high quality service.

In cases where FE Private Credit does execute securities transactions through brokers, dealers or other intermediaries on behalf of clients, FE Private Credit's will seek to obtain best execution for such transactions by selecting broker-dealers or intermediaries that FE Private Credit believes will provide appropriate execution quality at acceptable costs. In placing orders to purchase and sell securities for its clients, FE Private Credit considers a number of factors in selecting appropriate brokers or dealers including, but not limited to:

- Access to particular markets or instruments;
- Overall costs of a transaction (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads and other current transaction costs;
- Reputation, financial strength and stability;
- Quality of execution (including accurate and timely execution, settlement, clearance and dispute resolution);
- Willingness to execute difficult transactions; and
- Market intelligence regarding trading activity.

FE Private Credit may, but is not obligated to, aggregate orders of its client accounts for trade execution with the same market participant or broker. If aggregated trades are cleared at multiple prices during the day (which is unlikely to occur with respect to loans but may occur with respect to securities), each participating account generally will be allocated the related loans or securities on an average price basis.

In selecting brokers or dealers to execute transactions for client account, FE Private Credit need not solicit competitive bids and do not have an obligation to seek the lowest available commission, mark-up or other cost (collectively, "Commissions"). It is not FE Private Credit's practice to negotiate "execution only" commission rates, thus clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the Commission rate. Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits FE Private Credit to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. FE Private Credit will limit the use of Commissions to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). However, because Section 28(e) relates only to the use of commissions on equity transactions, the use of commissions, mark-ups or other compensation on transactions in instruments other than equity securities would be outside the parameters of Section 28(e). In some instances, FE Private Credit may receive a product or service that may be used only partially for functions within Section 28(e) (e.g. an order management system, trade analytical software or proxy services). In such instances, FE Private Credit will make a good faith effort to determine the relative proportion of the product or service used to assist FE Private Credit in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting FE Private Credit in carrying out FE Private Credit's investment decision-making responsibilities will be paid

through brokerage Commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by FE Private Credit from its own resources. Research and brokerage services obtained by the use of Commissions arising from a client's portfolio transactions may be used by FE Private Credit in FE Private Credit's other investment activities and thus, a client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

On a limited basis, FE Private Credit benefits from the availability of Bloomberg subscriptions and data at a reduced cost when a certain level of trading is executed using Bloomberg Tradebook, an online execution tool. Where FE Private Credit receive discounts on the costs paid for FE Private Credit's Bloomberg service or pursuant to any other soft dollar arrangements, it receives a benefit because it does not have to produce or pay for the research, products or services, and FE Private Credit's clients indirectly bear those costs as part of their transaction costs. FE Private Credit has an incentive to trade with counterparties that provide credits toward Bloomberg subscriptions and data, even when other counterparties are offering superior execution. Subscriptions and data obtained from Bloomberg may be used to benefit any or all of its clients, even though only some clients' trading activity may have contributed to the receipt of such products and services.

Item 13. Review of Accounts

FE Private Credit's portfolio managers and asset management group review client holdings on an ongoing basis. This includes review of client holdings against requirements with respect thereto in the related Relevant Documents, including, among others, asset class and certain risk parameters (such as diversification of investments and general creditworthiness of client assets).

Clients receive written reports as provided in the Relevant Documents. Certain Relevant Documents may require that quarterly and annual financial statements be distributed to such client's investors. The trustee for each CLO Client provides investors with monthly and quarterly reports as described in the Relevant Documents for the related CLO. FE Private Credit furnishes certain reports and other information to the trustee for its CLO Clients. Further, FE Private Credit provides audited financial statements, if required, to investors in its clients annually within 120 days of fiscal year-end. FE Private Credit also provides quarterly unaudited financial statements, if required, to investors.

Item 14. Client Referrals and Other Compensation

FE Private Credit occasionally enters into solicitation or placement agent agreements pursuant to which third parties are entitled to receive fees based on providing client or investor referrals, which fees may be based on the amount of assets such clients or investors invest with FE Private Credit. In certain cases, such fees are payable for a period of time which may include a trailing period following termination of the arrangement.

Additionally, FE Private Credit may purchase data, research, and other products or services and attend conferences sponsored by, or receive other advice from placement agents, banks or other third parties, some of whom may refer clients or investors to FE Private Credit.

Item 15. Custody

FE Private Credit does not intend to have custody of client assets. If FE Private Credit is deemed to have custody over client assets within the meaning of Rule 206(4)-2 under the Advisers Act, it intends to comply with such Rule by either providing investors in such client with audited financial statements within 120 days following the client's fiscal year end or by having FE Private Credit's custody of client assets verified annually by an independent public accounting firm at a time chosen by the accounting firm without prior notice to FE Private Credit and each related client and its investors, or an independent representative thereof, receiving copies of account statements relating thereto as required by such Rule. To the extent that FE Private Credit also provides account statements to such clients or investors, FE Private Credit encourages that its statements be compared with those received from the custodian.

With respect to the CLO Clients, the related trustee has custody of client assets and distributes (or makes available on its website) periodic (at least quarterly) reports with respect thereto to investors in such CLO Client.

FE Private Credit is deemed to have custody of its Fund's assets because of the authority it has over those assets. It will also be deemed to have custody over other clients' assets to the extent it can automatically deduct from their accounts to pay FE Private Credit's fees.

To satisfy the SEC's custody rule requirements, FE Private Credit Capital's Funds provide each investor in the Fund with audited financial statements within 120 days of the end of each year.

Item 16. Investment Discretion

FE Private Credit provides non-discretionary and discretionary investment advisory services. Discretionary authority, if granted, is conferred through the client's Relevant Documents. FE Private Credit's clients, whether discretionary or non-discretionary, may have investment guidelines and contractual restrictions that place certain limitations on the investments that can be recommended or made, as applicable, by FE Private Credit. These investment guidelines and contractual restrictions generally restrict the types of loans and other assets that may be acquired by the client subject thereto and may include but not be limited to concentration limitations and trading restrictions. Certain of such guidelines and restrictions are imposed by rating agencies or institutions providing leverage the related client's portfolio, in which case FE Private Credit's ability to negotiate such guidelines or restrictions may be very limited.

Item 17. Voting Client Securities

Although for certain clients FE Private Credit has or will have authority to vote client securities, acquisition of securities for which voting is anticipated is not generally permitted under the investment guidelines of FE Private Credit's clients (although such securities may be held in certain circumstances, such as when acquired as a result of a bankruptcy or workout). In these cases, and where FE Private Credit has voting authority and receives a proxy, FE Private Credit will vote such securities in accordance with FE Private Credit's proxy voting policies and procedures. This will generally depend on a number of factors, including the type of assets held by the client, the situation of the company subject to the proxy proposal and the content of the proxy proposal. FE Private Credit will retain a record of all votes,

including how FE Private Credit voted, and provide this record to investors upon request. FE Private Credit will also provide a copy of its proxy voting policies and procedures upon request.

Item 18. Financial Information

Not Applicable.