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ITEM 1 | Cover

Part 2A of Form ADV Firm Brochure

This brochure provides information about the qualifications and business practices of High Yield Fixed Income ("HY FI"), a division of Mesirow Financial Investment Management, Inc. If you have any questions about the contents of this brochure, please contact Steve Swierczewski at 312.595.7310 or steve.swierczewski@mesirow.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about Mesirow Financial Investment Management, Inc. ("MFIM") is also available on the SEC's website at www.adviserinfo.sec.gov. The site may be searched by a unique identifying number known as a "CRD number." MFIM's CRD number is 111135.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. © 2024. All rights reserved.

ITEM 2 | Material Changes

Mesirow Financial Investment Management, Inc. ("MFIM") Form ADV Part 2A, currently dated December 4, 2024, as amended from time to time, is MFIM's client disclosure document prepared based on the Securities and Exchange Commission's regulatory requirements. MFIM is required to update this document at least annually, or when an event occurs that may be deemed to have a material impact on MFIM's High Yield Fixed Income and related investment management business and/or on its clients.

MFIM High Yield Fixed Income have no disciplinary events to report or disclose since its last annual update.

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ITEM 4 | Advisory Business

MFIM, an Illinois corporation formed in 1986, is an investment advisor registered with the SEC, with its principal place of business located in Illinois. HY FI is a business division within MFIM.

MFIM's sole shareholder is Mesirow Financial Services, Inc., which is a wholly-owned subsidiary of Mesirow Financial Holdings, Inc. ("MFHI" or "Firm").

MFIM's HY FI division offers investment advisory services and products relating to high yield fixed income investments on a discretionary and non-discretionary basis to institutional clients. These services include advice with regard to the allocation of a client's fixed income assets, benchmark selection and investment guidelines. HY FI typically offers services to managed accounts but can act as an advisor or subadvisor to pooled vehicles.

MFIM, or an affiliate entity, offers various investment management services through its different business units and serves as general partner to a number of private investment vehicles structured as limited partnerships.

MFIM, or an affiliated business group, advises Mesirow-branded mutual funds, Registered Investment Companies ("RICs"), Collective Investment Trusts ("CITs"), and Private Funds.

DISCRETIONARY ADVISORY SERVICES

HY FI manages portfolios for the following strategies:

High Yield Strategy

The High Yield Strategy's primary investment objective is to seek a high level of current income coupled with principal preservation. HY FI seeks to achieve this objective by primarily investing in a diversified portfolio of below investment grade rated corporate debt securities (high yield bonds), with an emphasis on smaller issues that are typically from small-to-mid capitalization companies. The strategy may also hold bank loans, as well as equity-linked securities acquired in conjunction with debt securities, and equity securities obtained through exchange offers or insolvency proceedings. In certain circumstances when onboarding new accounts or managing cash flows, exchange traded funds may be temporarily included. The benchmark for the High Yield Strategy is the Bloomberg US Corporate High Yield Index.

Bank Loan Strategy

The Bank Loan Strategy's investment objective is to provide a high level of current income consistent with the preservation of principal. HY FI seeks to achieve this objective by primarily investing in a diversified portfolio of floating rate loans (first and second lien) with an emphasis on smaller issues that are typically from small-to-mid capitalization companies. The strategy may also hold other financial instruments with similar economic characteristics, such as high yield securities, as well as equity-linked securities acquired in conjunction with debt securities, and equity securities obtained through exchange offers or insolvency proceedings. In certain circumstances when onboarding new accounts or managing cash flows, exchange traded funds may be temporarily included. The benchmark is the Credit Suisse Leveraged Loan Index.

High Yield-Bank Loan Blended Strategy

The High Yield-Bank Loan Blended Strategy's investment objective is to seek a high level of current income coupled with preservation of principal. HY FI seeks to achieve this objective by primarily investing in a diversified portfolio of below investment grade rated corporate debt securities (high yield bonds) and bank loans, with an emphasis on smaller issues that are typically from small-to-mid capitalization companies. The strategy allows for dynamic investment allocations between high yield bonds and senior bank loans based on relative valuations. The strategy may also hold equity-linked

securities acquired in conjunction with debt securities, and equity securities obtained through exchange offers or insolvency proceedings. In certain circumstances when onboarding new accounts or managing cash flows, exchange traded funds may be temporarily included. The benchmark for the High Yield-Bank Loan Blended Strategy is 50% Bloomberg US Corporate High Yield Index/50% Credit Suisse Leveraged Loan Index.

Advisory and/or Sub-Advisory Services

HY FI serves as the sole investment adviser to a Mesirow proprietary mutual fund, private fund, and CIT. These relationships are covered in more detail in Item 10 of this Brochure. Please refer to the mutual fund's Prospectus and Statement of Additional Information, the private fund's Private Placement Memorandum, as well as the CIT's Disclosure Memorandum for additional disclosures. Copies of the noted disclosures can be obtained by contacting Steve Swierczewski at the address or phone number on the front page.

HY FI at times provides advisory or sub-advisory services to clients of unaffiliated financial services institutions, including investment companies, banks, and other advisors ("Advisor(s)"). In these circumstances, HY FI would manage these accounts on a discretionary basis, similar in manner to its advisory services accounts described above. HY FI would be paid an advisory fee directly by these Advisors. HY FI would not pay a fee to these Advisors for referring clients.

Investment Management Services

As of March 31, 2024, HY FI managed approximately \$1.88 billion in client assets on a discretionary basis and no client assets on a non-discretionary basis.

MFIM does not provide tax or legal advice. Clients should consult with an expert on tax or legal issues.

ITEM 5 | Fees and Compensation

HY FI charges a percentage of a client's assets under management for its services pertaining to separately managed accounts.

HY FI Standard Annual Fee Schedule

First \$25 million	0.60%
Next \$25 million	0.55%
Next \$50 million	0.50%
Balance	0.45%

The fees are generally paid quarterly in arrears. In the event an account terminates, fees will be prorated for the number of days the account was under management. Fees are typically billed to the client or client's custodian; however, under certain circumstances as agreed to between MFIM and a client, fees are deducted from the custodied account and paid directly to MFIM.

As general partner to private funds, MFIM, or an affiliate thereof, reserves the authority to reduce the management fee charged with respect to the capital accounts of limited partners who invest in a Partnership on a direct basis with the general partner and/or to reduce, rebate, or waive altogether the management fee. A limited partner's minimum investment in the partnerships varies depending on the limited partnership, which can be modified in certain circumstances by the general partner of the partnership.

Limited Negotiability of Advisory Fees

Although MFIM has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These facts, circumstances and needs include, among other factors, the complexity of the client; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements. The specific annual fee schedule will be identified in the contract between the advisor and each client.

Discounts, not generally available to our advisory clients, are offered to employees, family members and friends of associated persons of MFIM.

Termination of the Advisory Relationship

Clients that invest in separately managed accounts typically can terminate their investment management agreement upon providing 30 days written notice. Certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees are generally refunded. In calculating a client's reimbursement of fees, MFIM will prorate the reimbursement according to the number of days remaining in the billing period.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers, including, but not limited to, any transaction charges imposed by a broker dealer.

Clients that invest in MFIM's private investment vehicles structured as limited partnerships are typically responsible for certain expenses relating to the partnership, including, but not limited to, the cost of audits, reporting and certain legal expenses.

From time to time, MFIM refers its clients to affiliated entities, which perform other services. HY FI and/or its employees can receive referral compensation in exchange for such referral. Similarly, affiliates of MFIM and/or their employees refer clients to HY FI for which HY FI pays referral compensation to such affiliates and/or their employees. Mesirow Financial Holdings, Inc., a Delaware corporation, is the owner of Mesirow Financial Services, Inc. ("MFS"), the parent of MFIM. HY FI pays associated personnel referral fees. MFIM does not currently have any material arrangements with any of these entities other than as described in Item 10.

Grandfathering of Minimum Account Requirements

Pre-existing advisory clients are subject to MFIM's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, minimum account requirements differ among clients.

ERISA Accounts

In certain circumstances MFIM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (“IRAs”) pursuant to the Employee Retirement Income and Securities Act of 1974 (“ERISA”). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General

Clients should note that similar advisory services are (or are not) available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees

Under no circumstances does HY FI require or solicit payment of fees in excess of \$1,200 six months or more in advance of services rendered.

Educational Events

MFIM employees benefit from educational events sponsored by service providers to MFIM, such as law firms, audit firms and other professional service firms.

ITEM 6 | Performance-Based Fees and Side-By-Side Management

HY FI does not charge performance-based fees for its products and services now but can do so in the future.

Side-by-Side Management

HY FI simultaneously manages multiple types of portfolios, including separate accounts, private funds and sub-advised mutual funds according to the same or a similar investment strategy. These portfolios may include proprietary accounts in which HY FI, or its partners have an interest. The simultaneous management of these different investment products creates certain conflicts of interest as the fees for the management of certain types of products may be higher than others. Nevertheless, when managing the assets of such accounts, HY FI has an affirmative duty to treat all such accounts fairly and equitably over time.

Although HY FI has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that HY FI use the same investment practices consistently across all portfolios. In general, investment decisions for each client account will be made independently from those of other client accounts and will be made with specific reference to the individual needs and objectives of each client account. In fact, different client guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, HY FI will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of assets under management, investable cash available, different strategies, or different risk tolerances. In addition, some client accounts may purchase long positions in certain securities while other client accounts simultaneously sell short these same securities. As a result, although HY FI manages numerous portfolios with similar or identical investment objectives or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Since side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of

a client or a group of clients, HY FI has procedures designed and implemented in furtherance of its efforts to treat all portfolios fairly and equally over time. By utilizing these procedures, HY FI believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment over time.

ITEM 7 | Types of Clients

HY FI provides advisory services to client types that include, but are not limited to:

- Sovereign wealth funds
- International financial institutions
- Pension and profit-sharing plans
- Charitable organizations
- Corporations or other businesses
- State or municipal government entities
- Registered investment companies
- Private funds

ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

HY FI's investment objective is a high level of current income couple with principal preservation. HY FI attempts to achieve this investment objective by generally taking diversified positions in the securities of corporations whose debt is rated below investment grade. Although such debt may be converted into equity securities in the event of a financial restructuring, HY FI does not purchase equity securities. HY FI's portfolio generally contains over 100 issuers representing many industries. HY FI adheres to a strategy which emphasizes rigorous industry and company due diligence, and active monitoring and value enhancement. HY FI conducts proprietary due diligence of each investment, including but not limited to company visits, in-depth management interviews, customer reference checks, product demonstrations, competitive references, and the creation of detailed financial models.

Investment Strategies

HY FI's investment philosophy is that the high yield market has historically offered substantial income to over-compensate for default risk as well as offer the potential to produce capital gains when issuers have improved their credit quality. Knowing defaults have been largely concentrated by industry, HY FI defensively seeks to underweight those industries where the team can identify negative secular trends. A key to potentially generating consistent investment returns is through the "value" driven company-specific analysis, designed to capture excess returns from companies that demonstrate they can generate free cash flow throughout an economic cycle. These companies generally experience lower-than-index default losses, while producing an attractive yield.

HY FI's investment process starts with a focus on industries we believe have sufficiently low cash flow volatility to service debt regardless of the next macro trend. HY FI seeks above average yielding opportunities within an industry that we deem favorably positioned to generate cash flow. These opportunities tend to be relatively small, privately owned issuers, not closely followed by our larger competitors or in brokerage research.

There can be no assurance that HY FI will achieve the investment objective described above on behalf of its clients. Further, many of the investment techniques and activities described above are high-risk activities that could result in substantial losses under certain circumstances. Investing in leveraged loans involves risk of loss that clients should be prepared to bear. Retention of HY FI's investment management services involves significant risks, including those described below.

FORMS OF RISK

Below Investment Grade Securities (High Yield or Junk Bonds) Risk

Fixed income securities rated below investment grade involve greater risks of default or downgrade and are generally more volatile than investment grade securities because the prospect for repayment of principal and interest of many of these securities is speculative. Because these securities typically offer a higher rate of return to compensate investors for these risks, they are sometimes referred to as "high yield bonds," but there is no guarantee that an investment in these securities will result in a high rate of return.

Bank Loans Risk

Investments in bank loans (through both assignments and participations) are generally subject to the same risks as investments in other types of debt instruments, including, in many cases, investments in high yield bonds. There may be limited public information available regarding bank loans and bank loans may be difficult to value. If the HY FI holds a bank loan through another financial institution, or relies on a financial institution to administer the loan, its receipt of principal and interest on the loan may be subject to the credit risk of that financial institution. It is possible that any collateral securing a loan may be insufficient or unavailable, and that HY FI's rights to collateral may be limited by bankruptcy or insolvency laws. In addition, the secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods, which may cause HY FI to be unable to realize the full value of its investment in a bank loan. Bank loans may not be considered "securities," and purchasers of this asset type therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws.

Default Risk

The principal risk is the risk that an issuer will be unable to fulfill its financial obligations to our clients. This risk is in turn driven by macroeconomic factors such as economic growth, interest rates, as well as issuer-specific risks such as the ability of each issuer to execute its business plan in competitive markets, regulation of its industry, and so on.

Prepayment Risk

Leveraged loans can typically be repaid by the issuer at any time with little or no prepayment penalty. Such repayments can force us to reinvest returned principal at a lower rate of interest or require us to assume greater risk to maintain a given level of interest income.

Liquidity Risk

During periods of market stress, such as a recession, high yield bonds and leveraged loans can become more difficult to buy and sell at quoted prices, and redemption of an entire portfolio can take as long as several weeks.

Privately Issued Securities Risk:

Investment in privately placed securities may be less liquid than in publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by HY FI or less than what may be considered the fair value of such securities. Further, companies whose securities

are not publicly traded may not be subject to the disclosure and other investor protection requirements that might be applicable if their securities were publicly traded.

Small Company Risk

Small companies can experience greater volatility in their cash flows and can lack the access larger companies have to alternative sources of funding, such as the public equity market. They can be more prone to insolvency. They can also have greater difficulty retaining high quality management.

Valuation Risk

The risk that a security may be difficult to value. HY FI may value certain securities at a price higher than the price at which they can be sold.

ITEM 9 | Disciplinary Information

On July 22, 2022, MFIM entered into a settlement with the SEC, the details of which are available here: <https://www.sec.gov/litigation/admin.htm>. As described in more detail in the Order, the settlement was related primarily to insufficient disclosure related to purchases of non-affiliated mutual fund shares (No Transaction Fee or NTF funds). Specifically, prior to June 2019, the disclosure outlined in MFIM's Form ADV allegedly did not adequately disclose the receipt of NTF revenue sharing by Mesirow Financial, Inc. (MFI), MFIM's affiliated broker-dealer, or the conflicts this created for MFIM. MFIM engaged in a firm-wide conversion to move its advisory clients into lower-cost share classes in late 2018 and revised its disclosures in June 2019. Without admitting or denying the underlying findings, MFIM agreed to pay affected investors disgorgement of \$487,862 prejudgment interest of \$94,972; and pay a civil penalty of \$170,000. MFIM subsequently notified affected investors of the settlement terms.

ITEM 10 | Other Financial Industry Activities and Affiliations

Certain employees of MFIM are also registered representatives of Mesirow Financial, Inc. ("MFI"). These individuals, in their separate capacity, can and do at times, affect securities transactions for which they will receive separate, yet customary compensation.

While MFIM and these individuals endeavor at all times to fulfill their fiduciary responsibilities to clients, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and can affect the judgment of these individuals when making recommendations.

As part of its proprietary investing program, MFIM or an affiliate can utilize futures contracts and related options for hedging and yield-enhancement purposes.

Certain employees, in their individual capacities, can be agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

The principals of MFIM are also the principals of the general partner of funds sponsored by MFIM. The general partner can designate MFIM as having primary responsibility for investment management and administrative matters, such as accounting, tax and periodic reporting, pertaining to MFIM sponsored funds. MFIM and its members, officers and employees will devote to the funds as much time as it deems necessary and appropriate to manage the business. MFIM and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory

relationships or engaging in other business activities, even though such activities can be in competition with the funds. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of MFIM management personnel and employees will not be devoted exclusively to the business of the funds but could be allocated between the business of the funds and other business activities.

As noted previously, MFIM or its affiliates can act as a general partner or sponsor of various private investment vehicles that MFIM can recommend or sell to its advisory clients. Prior to the sale of any such investments, MFIM will have disclosed any potential conflicts of interest and will recommend the investment only if it appears suitable for the client.

Clients should be aware that the receipt of additional compensation by MFIM and its management persons or employees creates a conflict of interest that potentially impairs the objectivity of MFIM and these individuals when making advisory recommendations. MFIM endeavors at all times to put the interests of its clients first as part of our fiduciary duty as a registered investment advisor. MFIM typically takes the following steps to address and to mitigate any potential conflicts:

- MFIM discloses to clients the existence of all material conflicts of interest;
- MFIM collects, maintains and documents accurate, complete and relevant client background information, including the client's investment mandates, financial goals, objectives and risk tolerance;
- MFIM's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable for the client's needs and circumstances;
- MFIM requires that our employees seek prior approval of any outside employment activity to ensure that any conflicts of interest in such activities are properly addressed;
- MFIM periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MFIM educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

Conflicts of Interest

HY FI has complete discretion over the selection and amount of securities to be bought or sold and the price to be paid for those securities. In the event that it took on a second client, HY FI can experience conflicts of interest over HY FI's time devoted to managing any one account (and the Members of HY FI do experience conflict in the management of their time on the businesses of HY FI.) HY FI attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. HY FI is not obligated to acquire for any account any security that HY FI or its managers, members or employees can acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of HY FI, it is not practical or desirable to acquire a position in such security for that account. Employees of HY FI can also personally own securities issued by the same issuers as the high yield bonds or leveraged loans invested in by HY FI.

HY FI is accountable to its clients as a fiduciary and, consequently, must exercise good faith and integrity in managing its clients' affairs and in resolving questions involving potential and actual conflicts of interest. This duty exists in addition to the various duties of, and limitations on, HY FI set forth in the Funds' offering and charter documents and our investment management agreements, as applicable. We endeavor to conduct the affairs of our clients in a manner fully consistent with our fiduciary obligations.

Material Relationships

HY FI serves as the sole investment adviser to a Mesirow proprietary mutual fund, CIT (Collective Investment Trust), and a private fund which are offered through entities affiliated with SEI. MFIM has a significant relationship with SEI which includes services pertaining to Mesirow's proprietary mutual funds, CITs, and private fund, as well as additional back-office services. HY FI receives an advisory fee based on assets in the mutual fund, CIT and private fund. HY FI portfolio managers and other employees are also invested in the Mesirow proprietary mutual fund. HYFI does not recommend to clients or purchase mutual funds on behalf of clients for their separately managed portfolios.

ITEM 11 | Code of Ethics

MFIM has adopted a Code of Ethics that sets forth the ethical standards of business conduct that MFIM requires of its employees, including compliance with applicable federal securities laws.

MFIM and its personnel owe a duty of loyalty, fairness and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but also to the general principles that guide the Code of Ethics.

MFIM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MFIM's access persons. MFIM has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MFIM's Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

MFIM's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email (maryjo.hayes@mesirow.com) or by phone (312.595.6512).

MFIM is part of a group of affiliated financial services companies that perform a number of different services for a client. MFIM is mindful of the conflicts or potential conflicts that such relationships create. Consequently, MFIM has adopted a Code of Conduct that prescribes standards of conduct required of all employees, regardless of their position or affiliation in the group. The Code prohibits self-dealing and other improper activities, the misuse of material non-public information, and it emphasizes the avoidance of conflicts of interest with clients. Some specific areas of potential conflict are discussed below.

MFIM and/or individuals associated with it can buy or sell for their personal accounts' securities identical to or different from those recommended to our clients. In addition, any related person(s) can have an interest or position in certain securities that may also be recommended to a client. However, it is the expressed policy no personal securities transactions will be cleared if the corresponding entity (1) has a conflicting order pending or (2) is actively considering a purchase or sale of the same security. A conflicting order is any order for the same security, or an option on that order, which has not been fully executed by the particular division.

MFIM does not aggregate employee trades with client transactions.

MFIM, through MFI, can direct the purchase or sale in securities on a principal basis in accordance with Section 206(3) under the Investment Advisers Act of 1940, as amended.

As these situations represent actual or potential conflicts of interest to clients, MFIM has established the following policies and procedures for implementing its Code of Ethics, to ensure our firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MFIM can put his or her own interest above the interest of an advisory client.
2. No principal or employee of MFIM can buy or sell securities for their personal portfolio(s) based on information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account by the particular division for which they are employed.
4. MFIM requires prior approval for any IPO or private placement investments.
5. MFIM maintains a list of all reportable securities holdings for our firm, and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.
6. MFIM has established procedures for the maintenance of all required books and records.
7. For accounts custodied at National Financial Services ("NFS"), with which MFIM's broker/dealer affiliate has a clearing arrangement, clients are fully informed that related persons can receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MFIM is granted discretionary authority.
9. All of MFIM's principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
10. MFIM requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MFIM has established policies requiring the reporting of Code of Ethics violations to senior management.

Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

Managed Accounts for Employees

Mesirow's proprietary mutual fund, CITs, and private fund (described in Item 10) trade in the same securities as separately managed client accounts in the respective strategy. The mutual fund, CITs, and private fund are treated in the same manner as other participating accounts, including with regard to commission rates, pro rata share allocation, and average price per share allocation. Certain Mesirow employees invest in the Mesirow mutual fund in the same manner as clients do.

Other Participation or Interest in Client Transactions

Due to the fact that MFIM is compensated based on AUM, MFIM employees are incentivized to have clients open accounts and to add to assets to new and existing accounts.

ITEM 12 | Brokerage Trading Practices

HYFI's policy is to seek the best execution of client transactions considering all circumstances. The consideration of best execution is more than the best price available, but includes a number of other factors to achieve the best fill for a client. However, there can be no assurance that best execution will in fact be achieved in any given transaction. Subject to MFIM's overall policy, in selecting brokers to execute transactions, HYFI considers customary practices in prevailing markets for the particular type of investments being traded, natural order flow, market impact, anonymity, the firm's reputation, the full range, quality and reliability of its services that are deemed useful to better serve clients, its relationship and responsiveness to HYFI, commission rates, and any other factors that HYFI, in its sole discretion, deems relevant, without having to demonstrate that any such factor is of a direct benefit to any particular client. In addition to execution, brokers provide supplemental research, statistical information and objective performance evaluation. HYFI does not participate in directed brokerage or soft dollars.

Aggregation and Allocation of Trades

It is our policy that all client accounts will be treated fairly and no one client account will receive over time preferential treatment over another. Our policy prohibits any MFIM employee from allocating or re-allocating investments to enhance the performance of one account over another or to favor any affiliated account or any other account in which an employee has any interest.

As a general practice, we will seek to utilize the firm's trade order management systems in selecting the participating client accounts prior to entering an aggregated order. When determining which accounts will participate in a trade, we will consider various criteria which may include, but are not limited to: (i) client cash limitations; (ii) actual and anticipated or potential account inflows and outflows; (iii) duration and/or average maturity; (iv) credit ratings and anticipated credit ratings; (v) account size; (vi) minimum initial allocation amount or minimum trade or lot size; (vii) processing costs; (viii) existing exposure to an issuer or industry type, and other concentration limits; (ix) specific investment objectives, investment guidelines and anticipated guidelines changes; (x) borrowing capacity; and (xi) other practical limitations. If the order is partially filled, it will typically be allocated pro-rata based on the target allocation methodology, subject to the considerations described in the preceding sentence, unless that would be impractical.

With respect to the fixed income investment teams, we have determined that pre-allocating certain trades based on redetermined allocation amounts may not be feasible or practicable for all instances given the unique nature of their respective markets and client requirements, or the information limitations specific to a deal. In those cases, an allocation will be made promptly following execution but generally no later than the end of the trading day. Such orders will be typically based upon the criteria noted above, as determined by the HYFI's personnel and will not unfairly discriminate against or advantage one account over another over time. HYFI will consider the importance and weight of different factors in its subjective determination based on the facts and circumstances of each trade.

We cannot assure that in every instance an investment will be allocated on a pro-rata basis, and differences may occur due to the factors mentioned above. It is our goal to provide individualized treatment and customized solutions to our clients. There are conditions under which the Trade Allocation Policy permits a portfolio manager and/or trader to: (i) allocate a transaction only to certain of the accounts eligible to participate; (ii) allocate a larger or smaller portion of a transaction to an account or group of accounts than to other accounts participating in the transaction; or (iii) exclude certain accounts from

participating in a transaction that may be suitable for the account(s).

Whenever an allocation would cause an account to receive either an odd lot or an amount that is uneconomical, it need not participate in an allocation. A de minimis amount that does not disadvantage, benefit, nor favor any account over another will be established by each investment area. Amounts that are de minimis may not be allocated to such accounts and may be allocated over the accounts that did initially receive sufficient shares pro-rata.

Some clients impose guidelines or investment restrictions that are not a part of HYFI's strategies. HYFI will use its discretion in interpreting and applying such investment restrictions. Clients who impose such investment restrictions should be aware that the performance of their accounts will differ from the performance of the model portfolios. Some investment restrictions must be checked manually by members of HYFI's portfolio management team, which often results in accounts with such restrictions to be traded after accounts that do not have similar investment restrictions. As a result of the delay, these accounts may receive a different price on securities transactions than the unrestricted accounts.

On rare occasions, HYFI will execute cross trades between client accounts when it deems the transaction to be in the best interests of both clients and in accordance with any laws, rules or regulations applicable to such clients' accounts (e.g., the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Advisers Act or the Company Act). A cross transaction will be made only with the prior and informed consent of MFIM's advisory clients or interpretations of the SEC permitting such transactions without client consent. Cross trades will not be performed if an account is subject to ERISA.

While HYFI does not trade with its affiliated broker-dealer MFI, MFIM can accrue revenue based on commissions paid to MFI, for brokerage services rendered on behalf of MFIM clients. This revenue, or a portion thereof, can be paid to MFIM investment representatives as part of a discretionary bonus at fiscal year-end.

We use pre-approved and vetted "expert network firms" to assist us with our research processes from time to time. They are used to supplement our regular research process and not as a substitute for our own fundamental analysis. These expert network firms provide us with access to individuals with expertise across a variety of industries. We have implemented policies designed to ensure we do not inadvertently receive material non-public information from these experts, some of whom are insiders of public companies. While we maintain a strict policy to not trade securities while in the possession of material, nonpublic information nor to improperly communicate such information to others, we at times knowingly accept material, nonpublic information in a controlled fashion solely for research purposes (known as "going over the wall"). When this occurs, all trading activity within the security by HYFI personnel (both on behalf of clients and within personal accounts) is prohibited while HYFI is in receipt of this material, nonpublic information and until the information is made public. Our investment management team is selective in choosing which securities to knowingly accept material, nonpublic information as going over the wall could result in lost trading opportunities within client accounts (as all trading activity on the subject security is prohibited while HYFI is over the wall).

ITEM 13 | Review of Accounts

All accounts are managed and reviewed at least monthly by the Portfolio Managers of HY FI. Asset allocation, cash management, market prospects and individual issue prospects are considered. Particular attention is given to changes in company earnings, company announcements, industry outlook, covenant compliance, market outlook and price levels. Clients receive reports detailing holdings, transactions, and description of each item of collateral including its coupon, industry, maturity, rating, and par value.

ITEM 14 | Client Referrals and Other Compensation

CLIENT REFERRALS

MFIM periodically enters into solicitor's arrangements with unrelated third parties ("Solicitors") where MFIM agrees to pay a portion of the fees derived from an account to the individual or entity that referred the account. Unless otherwise disclosed, the client is not charged any amount in addition to the customary advisory fee charged by MFIM. There is no differential between the amount of or level of advisory fee charged by MFIM to the client, attributable to the existence of any Solicitor's arrangement and that charged to other clients of MFIM. MFIM pays referral compensation to its affiliates and/or their employees. Whenever MFIM pays a referral fee, it requires the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MFIM;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MFIM by the client will be above our normal fees in order to compensate the Solicitor.

The advisory fees paid to MFIM by clients referred by solicitors, or by affiliates of MFIM and/or their employees, are not increased as a result of any referral fee.

MFIM pays its employees, or employees of affiliates, referral fees.

MFIM acts as an advisor or sub-advisor or provide other services to other investment advisors or pooled investment vehicles, including Mesirow-branded pooled investment vehicles, and as such will be paid a fee based on a percentage of the assets of the fund. MFIM, or an affiliate, also sells the pooled investment vehicles to its clients and will receive compensation from the investment advisor or fund family.

It is MFIM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to clients.

MFIM also periodically compensates affiliated personnel that work in other business units for referrals.

ITEM 15 | Custody

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. MFIM urges clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Clients should contact us directly if they believe that there can be an error in their statement.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

MFIM is deemed to have custody of client assets under the SEC's Custody Rule, 206(4)-2, due to the fact that a related person, as defined by the rule, serves as the general partner for certain private funds. MFIM complies with the Custody Rule requirements by annually sending audited financial statements to its investors.

ITEM 16 | Investment Discretion

Clients can engage MFIM to provide discretionary and non-discretionary asset management services. Clients can in certain circumstances limit such authority by giving MFIM written instructions. Clients give MFIM discretionary authority when they sign an investment management agreement with MFIM or complete the subscription documents for a pooled investment.

ITEM 17 | Voting Client Securities

High yield bonds and leveraged loans are subject to amendments, waivers, and other such modifications after they are issued. HY FI votes on these actions in the best interest of its clients, giving recognition to the effect on both the future prospects of the bond or loan as well as any fee or other consideration offered by the issuer to clients who consent. In addition, bonds or loans may become subject to restructuring proceedings, in or out of bankruptcy, in which case HY FI will act in its best judgment to maximize the cash flow and value. If the restructuring results in clients owning equity of the issuer, HY FI will vote as a shareholder in any vote put to shareholders, including any proxy vote, in accordance with its best judgment of the clients' interests.

PROXY VOTING POLICIES AND PROCEDURES:

Proxies are voted solely in the best interests of Mesirow clients; namely, the Mesirow mutual funds, separate account clients, and where employee benefit plan assets are involved, in the interests of the plan participants and beneficiaries (collectively, "Advisory Clients") that have properly delegated such responsibility to Mesirow. Voting proxies on behalf of our clients is established by Mesirow advisory contracts or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. Except as otherwise agreed to in writing with a client, Mesirow has no authority or obligation to take any action or render any advice with respect to the voting of proxies on behalf of a client.

Mesirow has designated its Senior Managing Director of Operations as responsible for administering and overseeing the proxy voting process. Mesirow utilizes Institutional Shareholder Services ("ISS") an independent third-party proxy voting service. There are three (3) separate sets of guidelines that are utilized by MFIM which are established by ISS, utilizing its expertise and standing within the financial services industry, as well as our own. In general, MFIM has instructed ISS to vote Taft-Hartley and other union related accounts in accordance with the Taft-Hartley proxy voting guidelines and Public Fund accounts in accordance with the Public Fund proxy voting guidelines, each as established by ISS to be responsive to their particular concerns. All other accounts are generally instructed to be voted in accordance with the standard proxy voting guidelines established by ISS.

Directors and employees of Mesirow are sensitive to the possibility that their interests may conflict with the interests of Advisory Clients. Even while a proxy may involve an entity with which a relationship exists, generally the matters put to vote do not cause a conflict of interest between Mesirow and the client. There may be some instances when Mesirow believes its client's best interest is served by abstaining or not voting certain proxies.

Additional information is provided in the procedures. Clients may obtain a copy of our procedures by contacting us at proxyoperations@mesirow.com. In the event that a client of Mesirow requests information as to how a particular proxy had been voted on that client's behalf, Mesirow will provide said information to the client in a timely manner. Under no circumstance will Mesirow disclose to a third party how a proxy had been voted on behalf of a client without that client's expressed, written consent.

ITEM 18 | Financial Information

MFIM has no additional financial circumstances to report.

MFIM has not been the subject of a bankruptcy petition at any time during the past ten years.