



**ORIX ADVISERS, LLC**

**ORIX Capital Partners**

**CRD #307580**

280 Park Avenue, 40 West

New York, NY 10017

October 29, 2024

This brochure (the “Brochure”) provides information about the qualifications and business practices of ORIX Capital Partners, the private equity team of ORIX Advisers, LLC, a Delaware limited liability company (“ORIX Advisers”). If you have any questions about the contents of this Brochure, please contact us at 646-957-7784. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

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

## **Item 2. Material Changes**

---

This Brochure dated October 29, 2024, serves as an amendment for ORIX Advisers' Form ADV Part 2A filed in June 2024 for the ORIX Capital Partners investment team of ORIX Advisers. The following material changes are reflected in this Brochure update:

- The GP Solutions investment team of ORIX Advisers has been added in reference to the Brochure.

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

---

Item 2.	Material Changes .....	2
Item 3.	Table of Contents .....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	5
Item 6.	Performance Based Fees and Side-by-Side Management .....	9
Item 7.	Types of Clients.....	10
Item 8.	Methods of Analysis, Investment Strategies, and Risk of Loss.....	11
Item 9.	Disciplinary Information .....	28
Item 10.	Other Financial Industry Activities and Affiliations .....	29
Item 11.	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading .....	53
Item 12.	Brokerage Practices .....	56
Item 13.	Review of Accounts .....	57
Item 14.	Client Referrals and Other Compensation.....	58
Item 15.	Custody.....	58
Item 16.	Investment Discretion.....	59
Item 17.	Voting Client Securities.....	59
Item 18.	Financial Information .....	60
Item 19.	Requirements for State-Registered Advisers.....	60

#### Item 4. Advisory Business

---

ORIX Advisers is wholly-owned, through intermediate wholly-owned subsidiaries,<sup>1</sup> by ORIX Corporation USA (“ORIX USA”), which itself is a wholly-owned subsidiary of ORIX Corporation (NYSE: IX, TSE: 8591) (“ORIX Corporation”), a public company.

ORIX Advisers, through its private equity team, ORIX Capital Partners (“OCP”), provides discretionary portfolio management and advisory services to a pooled investment vehicle, ORIX Capital Fund I, L.P.<sup>2</sup> (herein referred to as “OCP Fund I”). In addition, ORIX Advisers also provides discretionary portfolio management and advisory services to an investment fund organized as an employee securities company (“ESC Fund”) and intends to do so for future investment vehicles (each a “Fund” and collectively with OCP Fund I, the “Funds”) or separately managed accounts (“SMAs”) (each a “Client” and collectively “Clients”).

While not covered by this Brochure, ORIX Advisers also provides advisory services to clients other than the Clients covered in this Brochure (“Other Clients”) through its asset based finance investment team (“Asset Based Finance”), structured credit investment team (“Structured Credit”), leveraged credit investment team (“Signal Peak”), growth capital investment team (“Growth Capital”) and GP Solutions investment team (“GP Solutions”) and expects to add additional investment teams in the future. Please see such other Brochure(s) for further information about those investment teams and their respective investment strategies.

OCP, on behalf of its Clients, seeks to obtain controlling positions in middle-market, privately held operating companies, principally located in, or with a significant presence or operations in, North America, using leveraged acquisitions, build-ups, recapitalizations, restructurings and growth equity transactions.

The terms upon which ORIX Advisers provides its investment management services to a Client are set out in the relevant offering documents, disclosure documents, indentures, limited partnership or limited liability company agreements, investment management agreements, asset management agreements, collateral management agreements, subscription agreements, Side Letters (as defined below), or similar documents, as applicable (each a “Governing Document,” and, collectively, the “Governing Documents”).

Investment advice provided to a fund and any future fund will be provided directly to such fund and not individually to the investors in such fund. Accordingly, such services will be tailored to the fund’s or future funds’ investment objectives, strategies and guidelines, which will be described in the applicable Governing Documents. Investors in a fund are generally not provided with the right to specify, restrict, or influence the fund’s investment objectives. However, each investor in the OCP Fund I is generally given the right to determine whether to participate in each investment involving a new portfolio investment or portfolio company (“Portfolio Investment”) absent an agreement with an investor in the Fund through a Side Letter or another agreement.

OCP has been in business since 2016. ORIX Advisers has been registered with the SEC as a stand-alone investment adviser since March of 2020. As of March 31, 2024, ORIX Advisers managed approximately \$8.1 billion of Regulatory Assets under Management (“RAUM”), \$5.9 billion of which is managed on a discretionary basis.

---

<sup>1</sup> The subsidiaries are as follows: OAM Holdings, LLC (“OAM Holdings”), which is the sole owner of ORIX Advisers; OCU Global Asset Management, LLC (“OCU Global”), which is the sole owner of OAM Holdings; OCU Opco Holdings, LLC (“Opco Holdings”), which is the sole owner of OCU Global; ORIX Capital Markets, LLC (“Capital Markets”), which is the sole owner of Opco Holdings; and ORIX Corporation USA, which is the sole owner of Capital Markets.

<sup>2</sup> OCP Fund I’s investment period ended on February 21, 2022.

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

---

In connection with its advisory services to Clients, ORIX Advisers and/or its affiliates will generally receive a management fee (“Management Fee”) and performance-based compensation through carried interest, performance fees, and/or an allocation of profits or similar method of sharing in profits (collectively referred to as “Carried Interest”).

In addition, Clients will bear certain expenses incurred in connection with ORIX Advisers’ management of their account. Fees, compensation and expenses will vary among Clients, and the details of the fees, compensation and expenses payable by a particular Client will be set forth in such Client’s Governing Documents. ORIX Advisers does not have a general fee schedule.

ORIX Advisers, in its sole discretion, does and may in the future elect to waive, reduce or defer its Management Fee and/or Carried Interest for certain investors, including, but not limited to, its employees, affiliates (including ORIX USA and its subsidiaries) (collectively, “ORIX USA Group”), their respective employees (current and former), the family members of such employees, their officers, directors, principals, members, consultants, Operating Advisors (as defined below) or Advisory Board members (as defined below) and any vehicles established for certain aforementioned persons, including employee vehicles, and including the ESC Fund (collectively, “ORIX Persons”), without entitling any other investors to such waiver or reduction.

### *Management Fee*

ORIX Advisers expects to receive a Management Fee from each Client that is set forth in each Client’s Governing Documents. ORIX Advisers expects that the rate for Management Fees charged to Clients will vary depending on the applicable investment strategy and the services provided. ORIX Advisers does, and may in the future, in its sole discretion, waive, defer or reduce the Management Fee for any Client both voluntarily and on a negotiated basis via Side Letters (as defined below in Item 6) or other arrangements, which may not be disclosed to other Clients, and does and expects to do so in the future for ORIX Persons. The fee structures described herein may be modified from time to time. Fees may differ from one Client to another, as well as among investors in the same Fund.

Depending on the arrangement with each Client, the Management Fee may be calculated on the value of the Client’s managed assets, committed capital, or actively invested capital, in accordance with each Client’s Governing Documents.

The timing of fee payments is typically set forth in each Client’s Governing Documents. For each Client, the Management Fee is generally payable quarterly in advance, or at other agreed-upon intervals.

### *Performance-Based Compensation*

ORIX Advisers and/or its affiliates expects to receive Carried Interest from its Clients. Generally, Carried Interest is paid or distributed upon the exit of investments, after invested capital has been returned and such Client has achieved a preferred return (whether calculated on an investment basis or calculated with respect to multiple or all investments). Performance-based fees or other performance-based compensation generally will be based on specified yield or periodic or cumulative performance “hurdles” or calculated as a percentage of the realized profits of Client investments and are generally payable to ORIX Advisers or an affiliate of ORIX Advisers on a quarterly or annual basis or as investments are partially or fully realized and/or capital is distributed. ORIX Advisers does and may in the future, in its sole discretion, waive, reduce, or defer the Carried Interest for a Client and does and expects to do so in the future for investments by ORIX Persons. ORIX Advisers or its affiliate receives a Carried Interest from the OCP Fund I and expects to receive Carried Interest from future Clients. The timing and calculation of performance-based fees are

described in the relevant Governing Documents of each Client. See Item 6, Performance Based Fees and Side-by-Side Management.

#### *Other Fees*

In addition to the Management Fee and Carried Interest, ORIX Advisers and its affiliates from time to time can receive a variety of other cash, equity and other non-cash fees relating to the investment activities of a Client, a Portfolio Investment and prospective Portfolio Investments, including directors' fees, transaction fees, topping fees, break-up fees, investment banking fees, closing fees, monitoring fees, advisory fees, consulting fees, administrative fees, placement agent fees, management fees or other similar fees received by ORIX Advisers or its affiliates from third parties (net of any expenses borne by ORIX Advisers or its affiliates in connection therewith) in respect of a Client investment (collectively, "Other Fees").

Other Fees are often substantial and may be paid in cash, in securities of the Portfolio Investments, prospective Portfolio Investments or investment vehicles (or rights thereto) or otherwise. The payment of Other Fees and reimbursements by Portfolio Investments and prospective Portfolio Investments will, in some, but not all, circumstances create a conflict of interest between ORIX Advisers and its affiliates, and its Clients, because the amounts of these Other Fees and reimbursements are often substantial and Clients and their investors generally do not have a direct interest in these fees and reimbursements. ORIX Advisers determines the amount and timing of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, management teams, the board of directors of or lenders to Portfolio Investments and/or third-party co-investors in its transactions. From time to time, ORIX Advisers will, in its discretion, disclose to an investor the amount of Other Fees allocated to Clients in which such investor has invested in account statements or other similar periodic reports delivered to investors.

Although Other Fees are in addition to the Management Fee, ORIX Advisers will in some circumstances reduce the amount of Management Fee paid by the applicable Client in connection with the receipt of such Other Fees in accordance with each Client's Governing Documents. For purposes of calculating any Management Fee offset, the offset is generally limited to the Client's pro rata share of the Other Fees, and Other Fees are net of out-of-pocket costs and expenses incurred by ORIX Advisers in connection with consummated or unconsummated transactions or in connection with generating any such fees.

To the extent an Other Fee relates to more than one Client, other Investing Party participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such parties pro rata based on the capital commitments of such participating Clients (or for an unconsummated investment, the proposed investments of the Client) or on such other basis that ORIX Advisers determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Client or Investing Party, ORIX Advisers will also consider, among other things, the type of transaction (e.g., original acquisition or follow-on), the consideration involved in the transaction (cash or in-kind) and the value of the consideration.

#### *Additional Fees and Expenses*

Please note that the details provided in this section is intended to be a comprehensive general overview of the additional expenses charged to Clients. Please refer to the Governing Documents of the applicable Client for additional disclosure on the treatment of expenses.

Investors should review all fees charged by ORIX Advisers, its affiliates, and others, as set out in each Client's Governing Documents to understand fully the total amount of fees paid by a Client and, indirectly, its investors.

Clients may be required to pay certain brokerage fees as further discussed below under “Brokerage Practices.” No employee of ORIX Advisers will accept or otherwise receive, directly or indirectly, any compensation for the sale of securities of a Client.

Each Client is responsible for all its operating expenses, including the costs and expenses in connection with the organization of the vehicle, including, if applicable, legal and accounting fees and expenses, travel and out-of-pocket expenses and all other costs and expenses incurred in connection with the offering of interests in the particular vehicle. Further, certain Clients are responsible for any placement or similar fees payable to a placement agent in connection with the offering of the interests of a vehicle.

Subject to each applicable Governing Document, at a high level, the operating expenses for a Client generally include, but are not limited to:

- (i) developing, sourcing, investigation, negotiation, structuring, evaluation, acquisition, or disposition of investments, including private placement fees, sales commissions, appraisal fees, finder’s fees, taxes, travel expenses, litigation expenses, brokerage fees, underwriting fees, commissions and discounts, administrator fees, any filing or similar fees, and legal, tax, audit, accounting, investment banking, financial, consulting, information services and professional fees (including fees and expenses of third-party Advisory Board<sup>3</sup> members, but excluding any salary, bonus or similar compensation of any Advisory Board member);
- (ii) all expenses associated with potential acquisitions of investments that are not approved;
- (iii) fees and expenses incurred in connection with the carrying or management of investments or any fees associated with the custodian, trustee, record keeping, and other administrative fees;
- (iv) expenses incurred in connection with the maintenance of books and records and the preparation and delivery of any reports to investors,<sup>4</sup> Fund’s financial statements, tax returns, Schedule K-1s (or similar schedule) and non-US tax forms and any other communication to investors, including expenses incurred in connection with providing the investors access to a database or other forum hosted on a website designated by the general partner of the Client (“General Partner”) (if any);
- (v) attorneys’, accountants’ and other tax advisors’ fees and disbursements and the fees and disbursements of any administrator for a Client;
- (vi) taxes and other governmental charges levied against a Client except as otherwise noted in the Governing Documents;
- (vii) insurance, regulatory or litigation expenses (and damages) and any indemnification obligations of a Client;
- (viii) expenses incurred in connection with the winding up or liquidation of a Client (including the fees and expenses of the liquidator);
- (ix) expenses relating to defaults by investors in the payment of any capital contributions;

---

<sup>3</sup> The Advisory Board, as set forth in OCP Fund I’s Governing Documents, means an advisory board of OCP comprised of experienced senior industry executives with whom ORIX Advisers has entered or may enter into certain strategic relationships to provide certain services.

<sup>4</sup> Please note the term “investor” and “limited partner” is used interchangeably throughout this Brochure.

- (x) expenses incurred in connection with any restructuring or amendments to the constituent documents of a Client and related entities;
- (xi) expenses incurred in connection with the formation of alternative investment vehicles to the extent not borne solely by the investors participating in the applicable alternative investment vehicle;
- (xii) expenses incurred in connection with investor distributions and any investor meetings;
- (xiii) expenses incurred in connection with the valuation of the assets of a Client;
- (xiv) ongoing regulatory expenses, including, without limitation, the fees and expenses associated with the preparation of and filings related to Form PF, CPO-PQR, the European Union Directive 2011/61/EU on Alternative Investment Fund Managers and any other regulatory registrations or filings which seek information about a Client;
- (xv) costs and expenses of obtaining and maintaining any subscriptions or data services in the operation of a Client;
- (xvi) expenses relating to borrowings (including interest and fees on borrowed monies, and other costs and expenses relating to debt obligations of, or other extensions of credit obtained by, a Client); and
- (xvii) any other expenses as permitted under the applicable Governing Documents.

ORIX Advisers or its affiliates may receive from third parties directors' fees, transaction fees, topping fees, break-up fees, investment banking fees, closing fees, monitoring fees, advisory fees, consulting fees, administrative fees, placement agent fees, management fees or other similar fees (together, "Transaction Fees"), in each case related to a Portfolio Investment, which will offset the Management Fee payable by an investor of the Fund or a Client as and to the extent set forth in the respective Governing Documents (net of any expenses borne by ORIX Advisers or their respective affiliates in connection therewith). Potential conflicts of interest may arise as a result of the economic benefits ORIX Advisers and its affiliates may receive from the payment of such Transaction Fees. Expenses that are reimbursed by a Portfolio Investment may include certain expenses that would not constitute expenses borne by the Client, but instead would be borne by the ORIX Advisers or its affiliate absent such reimbursement. The payment of such fees and expenses by a Portfolio Investment may also be viewed as reducing the value of such Portfolio Investment and, accordingly, the value of the Client's investment in such Portfolio Investment.

In addition to the full-time investment professionals of ORIX Advisers, ORIX Advisers may engage the services of certain operating or other advisers (collectively, "Operating Advisors") to work actively with ORIX Advisers on sourcing and evaluating new transactions for its Clients, as well as providing strategic insights related to Portfolio Investment matters after an investment in such Portfolio Investment has been made. ORIX Advisers may also engage the services of certain Advisory Board members to serve as members of the board of directors of a Portfolio Investment. While these Operating Advisors or Advisory Board members may work with ORIX Advisers, they are not partners or employees of ORIX Advisers or any of its affiliates, but rather consultants engaged by ORIX Advisers. The compensation of such individuals (other than salary, bonus or similar compensation of any individuals who are Advisory Board members) will generally be treated as Operating Expenses payable by the Clients and will not reduce the Management Fee or other fees or compensation paid by the Clients to ORIX Advisers or its affiliates. Operating Advisors will, from time to time, be offered the ability to invest in a Client or in a particular investment as a Co-Investor on preferred economic terms (including on a no-fee/no-carry basis).



Because certain of the fees, costs and expenses associated with the engagement, retainer or employment of an Operating Advisor will generally not be borne by the General Partner, ORIX Advisers or any of their respective affiliates (other than an affiliate of ORIX USA Group that is an investor of the Funds (“ORIX LP”) in its capacity as a limited partner of the Fund), ORIX Advisers and the General Partner will have an incentive to engage a consultant as an Operating Advisor, rather than as an employee or partner of ORIX Advisers or the General Partner. All decisions made by ORIX Advisers or the General Partner in this regard will be made in their sole discretion. ORIX Advisers and the General Partner intend to make all Operating Advisor engagement, retainer or employment decisions in good faith and to only engage any such Operating Advisor that they believe possesses relevant experience or expertise to serve in such capacity.

#### *Conflicts Arising from Expense Allocation*

As discussed above, certain fees and expenses incurred by ORIX Advisers and its affiliates will be charged to Clients or Other Clients. ORIX Advisers will face a conflict of interest in determining whether and how to allocate a particular expense to a Client, Other Clients, ORIX Persons and/or to ORIX Advisers or its affiliates, or a third party (each, an “Allocable Party”) or otherwise as described below.

From time to time, ORIX Advisers will be required to decide whether certain fees, costs, and expenses should be borne by an Allocable Party, and if so, how such fees, costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs, and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs, and expenses may be allocated among multiple Allocable Parties. ORIX Advisers allocates fees, costs, and expenses in accordance with the relevant Governing Documents and ORIX Advisers’ policies and procedures.

ORIX Advisers may face a conflict of interest when making such allocations due to the fact that an affiliate of ORIX Advisers will be a Client and/or will have economic interests in one or more Clients. For example, ORIX Advisers may have an incentive to allocate a greater portion of certain expenses to certain Clients that bear higher fees. ORIX Advisers has implemented expense allocation review and approval policies and procedures in order to supervise the allocation of expenses and to help to ensure that methodologies used to determine expense allocation comport with what is permitted by the relevant Governing Documents, and will make expense allocation judgments in its fair and reasonable discretion while taking into account factors it considers relevant and appropriate, including, without limitation, net asset value, assets under management, number of positions held by Clients, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service may not reflect the relative benefit derived by such Client from that service in any particular instance. From time to time, ORIX Advisers, in its good faith judgment, may revise or change allocation methodologies in an effort to ensure that such expenses remain fairly and reasonably allocated among Clients without notification. There can be no assurance that any changes in expense allocation methodology would produce a more favorable or less favorable result to any Client.

#### **Item 6. Performance Based Fees and Side-by-Side Management**

---

As noted above, in connection with its advisory services, ORIX Advisers and/or its affiliates will generally be entitled to receive Carried Interest based on a share of realized or unrealized profits of Client investments, and the terms of such Carried Interest will be set forth in the relevant Client’s Governing Documents. Pursuant to the relevant Governing Documents, ORIX Advisers, or an affiliate, is entitled to receive Carried Interest from the Fund. ORIX Advisers has, and may in the future, in its sole discretion, waive, reduce, defer or modify the provisions relating to Carried Interest for any Client or Fund investor and has and expects to do so in the future for proprietary accounts of ORIX USA Group and ORIX Persons.

The performance-based compensation arrangements described above create an incentive for ORIX Advisers to make investments on behalf of Clients that are riskier or more speculative than would be the case in the absence of such compensation, in an effort to achieve higher returns that would increase performance fees. In addition, methods of calculating Carried Interest may result in conflicts of interest between ORIX Advisers and Clients, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Further, in the case of certain Clients, the basis for some performance-based fees includes unrealized appreciation of Client assets, and could result in ORIX Advisers, or an affiliate of ORIX Advisers, receiving greater performance-based fees than would be the case if the basis on which the performance-based fees were calculated was solely on realized gains. ORIX Advisers discloses this conflict to potential investors in the relevant Governing Documents.

In addition, as further discussed in Item 10 – Other Financial Industry Activities and Affiliations, conflicts of interest will arise in connection with allocation of investment opportunities and access to Portfolio Investments (some conflicts of which may be mitigated for some or all investors by Side Letters (as described below) or other Governing Documents). The payment by some, but not all, future Clients of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Client) creates an incentive for ORIX Advisers to disproportionately allocate time, services, or functions to Clients paying Carried Interest or Clients paying Carried Interest at a higher rate or having a higher likelihood of being received, or to allocate investment opportunities to such Clients. ORIX Advisers has developed policies and procedures pursuant to which ORIX Advisers will seek to make investment decisions without consideration of its financial interests and in accordance with its fiduciary duty to current and future Clients.

In the case of the Fund, the General Partner may allocate a portion of the Carried Interest to current or former ORIX Advisers' personnel, some or all of the members of the Fund's Advisory Board or to Operating Advisors. To the extent that current ORIX Advisers' personnel are, or become, former personnel of ORIX Advisers, such individuals may no longer be involved in the Fund's affairs. Any such change in these arrangements or allocations to former personnel may reduce the pool of Carried Interest available to incentivize new and remaining ORIX Advisers' personnel.

Clients may enter into separate agreements, commonly referred to as "side letters," or other similar agreements (each a "Side Letter"), with particular investors, in connection with a particular investor's admission to such Client, without notice or approval of any other investor. A Side Letter has the effect of establishing rights under, or altering or supplementing, the terms of the Client's Governing Documents with respect to such investor in a manner that could be more favorable to such investor than those applicable to other investors of such Client. Such terms vary by investor but may include, without limitation, those relating to "most favored nation" status, transparency, information rights, Portfolio Investment board observer rights, reductions in Management Fee, and/or Carried Interest expenses allocated to such Client, revenue sharing, Carried Interest, Client distributions, liquidation rights, indemnification and exculpation or other preferential terms, such as access to co-investment opportunities. No Side Letter provided to an investor or a third party by the Client and/or ORIX Advisers or its affiliates will necessarily entitle any other investor or third party (who does not otherwise also have in place a Side Letter) to the rights granted in such Side Letter.

Please see Item 10 – Other Financial Industry Activities and Affiliations for additional information regarding ORIX Advisers' affiliates, ORIX Advisers' policies for allocating investment opportunities to Clients, and potential conflicts of interest.

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

---

ORIX Advisers provides investment advisory services and asset management services to its Clients. ORIX Advisers does not provide investment advisory services directly to investors in the Funds, except with

respect to the SMAs, some of which are institutional investors such as banks, insurance companies, pension plans and proprietary accounts of ORIX USA Group.

Investors in pooled investment vehicles and the Funds (the “Pooled Vehicle” or “Pooled Vehicles”) may include, among others, family offices, companies, other investment advisers, pension funds and profit-sharing plans, individuals (including ORIX Persons), trusts, charitable organizations, institutions, endowments, insurance companies (and related vehicles), funds of funds, pooled investment vehicles, foreign sovereign wealth funds and other entities. Investors in the Pooled Vehicles generally need to meet both (i) the definition of a “qualified purchaser” as such term is defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), and (ii) the definition of “accredited investor” as such term is defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). Investors in a Pooled Vehicle often have conflicting investment, tax and other interests with respect to their investments in a Pooled Vehicle. The conflicting interests among the investors generally relate to, or arise from, among other things, the nature of investments made by a Pooled Vehicle, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by ORIX Advisers or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Pooled Vehicle, ORIX Advisers and its affiliates will generally consider the investment and tax objectives of the applicable Pooled Vehicle, not the investment, tax or other objectives of any investor individually, though to the extent an affiliate of ORIX Advisers or an ORIX Person is an investor in the Pooled Vehicle, ORIX Advisers will experience a conflict of interest as it will have an incentive to take actions that benefit such affiliated investor even if such actions do not benefit the Pooled Vehicle or other unaffiliated investors.

ORIX Advisers currently does not require a minimum account size. With respect to the Funds, ORIX Advisers may require minimum initial subscriptions from investors as outlined in the relevant Governing Documents and may accept lower subscription amounts than any such minimum in the sole discretion of the general partner of such Fund, including from ORIX USA Group or ORIX Persons.

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

---

The following is a summary of (i) the strategy and methods ORIX Advisers uses in formulating advice or managing assets (and their material risks) and (ii) the material risks associated with the types of investments that OCP primarily recommends to and selects for its Clients. Further information will be set forth in detail in the Governing Documents of each Client.

ORIX Advisers’ investment strategies expose Clients to various risks that investors must be ready to accept, including the possibility of losing some or all their investment. Additionally, there is a risk that Clients do not achieve their investment objectives. The value of a Client’s investment can vary due to market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. For purposes of this Item 8, the term “ORIX Advisers” shall also be deemed to refer to OCP unless the context dictates otherwise.

#### **OCP Investment Strategy**

OCP’s investment strategy generally seeks to generate returns by making direct equity investments (or potentially debt investments) that support growth and performance among established middle-market, privately-held operating companies principally located in, or with a significance presence or operations in, North America, and in opportunistic special situations, with a view to funding Portfolio Investment operations with equity capital and debt, which may or may not include an affiliate of ORIX Advisers including ORIX USA Group (now or in the past) providing such debt financing. OCP may make additional,

follow-on investments in a Portfolio Investment, with the intent to preserve, protect or enhance the value of the Portfolio Investment. Generally, OCP has the right, but not the obligation, to offer co-investment opportunities to one or more Fund investors or ORIX Persons, in OCP's sole discretion.

OCP's investment strategy entails using leverage to acquire controlling interests in Portfolio Investments. While OCP evaluates the potential downside of the Portfolio Investment operations, if a leveraged Portfolio Investment is unable to generate adequate cash flow to service the debt, the Portfolio Investment could be forced into liquidation, or other events could occur that would adversely affect the Portfolio Investment. OCP's strategy generally involves having a multi-year view of potential value creation in its Portfolio Investments. Accordingly, OCP invests in these companies on behalf of its Clients with the expectation of being able to grow corporate value over time, resulting in a profitable sale of the Portfolio Investment after several years. If the Portfolio Investment is unable to grow cash flow or improve certain other key measures of performance, this strategy may be unsuccessful. OCP's strategy may also depend on a robust mergers and acquisitions market for this strategy to be successful.

### Method of Analysis

OCP's process for evaluating potential private equity opportunities, and other investments may include a variety of proprietary and non-proprietary research and methods of analyses, and a variety of both internal and external resources, such as third parties engaged to assist OCP in sourcing and evaluating new transactions, research and reports provided by third parties and corporate ratings services, and financial newspapers and magazines.

### Summary of Material Risks

The following is a description of some important risks associated with the investment strategies that OCP employs. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in, or made by, a Client. These risk factors include those risks that ORIX Advisers believes to be material or significant and relate to particular significant investment strategies or methods of analysis employed by OCP. Prospective investors and Fund investors are advised to review applicable Governing Documents for a more extensive description of the risks of investing in the applicable investment strategy.

**Political, Social and Economic Uncertainty Risk.** Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers<sup>[1]</sup>, industries, governments and other systems, including the financial markets, to which Clients or obligors are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Uncertainty can result in or coincide with, among other things: increased volatility in the loan, securities, derivatives and currency markets; a decrease in the reliability of market prices and difficulty in valuing assets (including private companies, and other interests held by Clients); greater fluctuations in spreads on debt investments; increased risk of default (by both government and private obligors and issuers); further social, economic and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants, decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment,

---

<sup>[1]</sup> Please note the terms "company", "issuer", "obligor", and "borrower" are used interchangeably throughout this Brochure.

capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or clear and settle transactions (including, but not limited to, a market freeze); substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions and difficulties in obtaining and/or enforcing legal judgments. For example, in late 2019 and 2020, the novel coronavirus and related respiratory disease (COVID-19) emerged in China and spread rapidly across the world, including to the United States. This outbreak led to disruptions in local, regional, national and global markets and economies affected thereby which resulted in significant disruption to the businesses of Portfolio Investments. Any future events of this nature or other similar events could have an adverse impact on the private equity market and the economy in general, which could have a material adverse impact on, among other things, the ability of ORIX Advisers to make Portfolio Investments. The impact of these circumstances could vary, but could impact ORIX Advisers' ability to source investments, which could negatively impact the amount of investments available to Clients and the returns to Clients, among other things. Furthermore, ORIX Advisers' ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate, oversee investments and travel to the extent necessary to carry out the Clients' investment strategies and objectives and ORIX Advisers' business and to satisfy its obligations to its Clients and their investors could be impaired. Although it is impossible to predict the precise nature and consequences of any such event, or of any political or policy decisions and regulatory changes occasioned by any such event or uncertainty on applicable laws or regulations that impact Clients' investments, it is clear that these types of events are and will impact Clients and their Portfolio Investments, and in many instances, they will be negatively impacted. Clients will also be negatively affected if the operations and effectiveness of ORIX USA Group, ORIX Advisers, Portfolio Investments, their key personnel or service providers (affiliated or otherwise) are compromised or if necessary beneficial systems and processes are disrupted. Each of the risks of loss in this Item 8 of this Brochure is subject to the risks discussed in this section ("Political, Social and Economic Uncertainty Risks"), and should be reviewed and analyzed in light thereof.

**General Economic and Market Conditions.** The success of the Clients' activities can be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Clients' investments), trade barriers, currency exchange controls, national regulation, changes in laws and rules, and national and international political circumstances (including wars, terrorist acts, or security operations). In addition, there is a risk of market disruptions resulting from certain events (e.g., power outages, terrorist attacks, military action, pandemics, or economic and diplomatic sanctions) which could affect the Clients' investment activities and performance. These factors can affect the level and volatility of securities prices and the liquidity of Clients' investments. Unexpected volatility or illiquidity could impair profitability or result in losses. In addition, governments, from time to time, intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended to directly influence prices and can, together with other factors, cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Clients' portfolios are not necessarily designed to benefit from market volatility and can lose value in times of volatility or directly due to market volatility.

**Russian Invasion of Ukraine.** On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions) and shortly thereafter commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. This has led various countries (including the United States) to issue sanctions against Russia and against certain foreign individuals and national leaders who have supported Russia's invasion of Ukraine. Further sanctions may be forthcoming. Russia's invasion of Ukraine, related cyberattacks, the displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on various economies and business activity



globally, and therefore could adversely affect the performance of Clients' portfolios. Furthermore, given the ongoing and evolving nature of the conflict and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to Clients' portfolios and the performance of their investments or operations, and the ability of Clients to achieve their investment objectives.

**Israel-Hamas War.** On October 7, 2023, the Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The foregoing attack sparked an armed conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Although since the establishment of the State of Israel a state of hostility has existed in varying degrees of intensity between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, the 2023 Israel-Hamas war has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. A further expansion of the hostilities between Israel and Palestine could have significant international ramifications. The 2023 Israel-Hamas war could potentially have a significant adverse impact and result in significant losses to the Funds, including those described above in "Russian Invasion of Ukraine". The ultimate impact of the Israel-Hamas war and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Clients or any particular industry, business or investee country, and the duration and severity of those effects is impossible to predict.

**Market Crisis and Governmental Intervention.** The global financial markets have undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention was, in certain cases, implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions was suddenly and/or substantially eliminated. In addition, as one would expect given the complexities of the global financial markets and the limited time frame within which governments were able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself was materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

The U.S. Federal Reserve and non-U.S. governments have taken significant and historic steps to intervene in the financial markets. Future government interventions can lead to a change in valuations of securities that could be detrimental to Clients' investments. Government intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations. ORIX Advisers believes that it is possible that emergency intervention will likely take place again in the future and that the regulation of financial markets is likely to be increased in the future. It is impossible to predict the impact of any such intervention and/or increased regulation on the performance of the Clients or the fulfillment of their investment objective.

**Custody and Institutional Party Risks.** Clients will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. In addition, Clients will trade or invest with institutions and service providers, including brokerage firms and banks. The distress, impairment, or failure of one or more banking institutions with whom Clients, their investments, and/or ORIX Advisers transact may inhibit the ability of Clients or their investments to access depository accounts or lines of credit at all or in a timely manner or could result in a counterparty or broker defaulting. In such cases, Clients may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Clients. In the event of such a failure of a banking institution where the Client or one or more of its investments holds depository accounts, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may

not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Clients and their affected investments may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Client or their investment. One or more investors or a Fund's general partner could also be similarly affected and be unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund's general partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

One or more banks or broker-dealers may act as custodians for certain assets of Clients. If a custodian were to become insolvent, Clients would, in respect of financial assets credited to securities accounts and held in street name, have only rights in common with other customers of the custodian and would not have ownership of, or rights with respect to, any specific financial assets maintained by the custodian. If any custodian has insufficient financial assets to satisfy all of its customers and its secured creditors, Clients could suffer losses. Furthermore, if a Client uses a broker-dealer as custodian (or prime broker), the bankruptcy of such custodian might have a greater adverse effect on such Client than would be the case if such Client used a bank as custodian. This is because, subject to certain limitations, a broker generally has the ability to loan, pledge, and rehypothecate the securities in its customers' accounts, as is typical market practice, and therefore may have insufficient assets to meet all of its obligations to "customers" in the event of insolvency of the broker-dealer. Even if a custodian has sufficient assets to meet all "customer" claims, there may be a substantial delay in proceedings against a custodian, and the assets of Clients could become substantially impaired during such proceedings. With respect to assets held with custodians outside of the United States, Client assets could be subject to laws and regulations that are less favorable to such Client than those of the United States (including with respect to the priority of any claims that such Client may have upon a bankruptcy, insolvency, or liquidation of any custodian, which may result in such Client being an unsecured creditor of such custodian rather than having a priority "customer" claim). Placement of a custodian in bankruptcy or similar proceeding outside of the U.S. could result in a great deal of uncertainty as to the status of assets or the ultimate recovery, if any, of such assets held by such custodian.

**Market Disruption.** Clients could incur major losses in the event of disrupted markets, and other extraordinary events may not be consistent with historical pricing relationships (on which ORIX Advisers bases several of its trading positions). The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available from ORIX Advisers' banks, dealers, and other counterparties is typically reduced in disrupted markets. Such a reduction could result in substantial losses to Clients. In 1994, in 1998, and again in the so-called "credit crisis" of 2008, a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for several private investment funds. In addition, market disruptions caused by unexpected political, military and terrorist events may, from time to time, cause dramatic losses, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

**Risks of Investments Generally:** All investments in securities entail a significant degree of risk, including the risk of complete loss; and, therefore, should be undertaken only by investors capable of evaluating the risks associated with the investment and bearing the risks of such investments. The prices of such securities or instruments in which Clients may invest may be volatile.

Additional risks and uncertainties, including those not currently known to ORIX Advisers or that ORIX Advisers currently believes to be immaterial, may also materially and adversely affect ORIX Advisers' investment strategies and the value of investments. Investors should not assume that future performance

of any specific investment or investment strategy will be profitable. ORIX Advisers does not provide any representation or guarantee that investors' goals will be achieved. Depending on the different types of investments, there may be varying degrees of risk.

No guarantee or representation is made that any Client or its related investment programs or strategies will be successful. For defensive and other purposes, Clients may invest in cash equivalents, money market funds, U.S. Treasury bonds and similar instruments and/or purchase or enter into hedging instruments. Clients' investment programs or strategies may involve, without limitation, risks associated with no or limited diversification and high concentration, investments in non-marketable securities, leverage, investments in speculative assets and the use of speculative investment strategies and techniques, systems risks and other inherent risks.

Certain investment techniques (e.g., use of direct leverage or indirectly through leveraged investments) can, in certain circumstances, magnify the impact of adverse market moves to which Clients could be subject. ORIX Advisers does not intend to attempt to minimize such risks for Clients and may not manage risk in the traditional sense. ORIX Advisers' efforts and methods of seeking to minimize such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

**Uncertainty of Financial Projections and Performance.** ORIX Advisers or its affiliates generally evaluate potential investments on the basis of financial projections for such investments and rely upon projections developed for future performance and cash flow. Projections are only estimates of future results which rely on assumptions made at the time of the projections and are inherently subject to uncertainty and factors beyond the control of ORIX Advisers. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability to realize projected values and cash flow. Further, ORIX Advisers' strategies may be based, in part, on valuation and similar models which it has developed over time. As market dynamics shift, a previously highly successful model may become outdated. There can be no assurance that ORIX Advisers can attain these projected results or will be successful in maintaining effective models, and actual results may vary significantly from the projections. In addition, general economic and market conditions, which are not predictable, can have a material adverse impact on the reliability of the projections.

Clients should recognize that past performance is not indicative of future results. Any information provided to a Client concerning the investment team has been offered to demonstrate the investment team's investment strategy and process, that is similar to the investment strategy and process that will be employed going forward (and is expected to have similar investment objectives, investment parameters and risk parameters as the investment team's historical investment mandate). New and different investment guidelines and parameters (e.g., investment restrictions, diversification requirements, requirements for timing of investments) applicable to the investment team's investments on behalf of a Client may result in materially different investments and gross and net returns from those experienced by the investment team historically.

**Exposure to Material Non-Public Information.** Although publicly traded equity securities will not be a significant part of Client investments due to the nature of their respective investment strategies, from time to time, ORIX Advisers could receive material non-public information with respect to an issuer. Additionally, there are no information barriers between ORIX USA Group and ORIX Advisers, the receipt of material non-public information by an affiliate may restrict ORIX Advisers from performing certain actions on behalf of its Clients in certain situations. In such circumstances, Clients would be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment



opportunities related to such issuer. See “Information Barriers and the Restricted List” in Item 10 below for additional information.

**Use of Expert Networks and Data Analytics.** In connection with the evaluation of potential investment opportunities, ORIX Advisers engages expert networks and/or makes use of data analytics, including data provided by third-party vendors. ORIX Advisers seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented policies and procedures to mitigate the risk that the use of expert networks or data analytics could result in the receipt of confidential information by ORIX Advisers’ investment professionals. However, because ORIX Advisers’ business operates on an integrated platform without information barriers, if such controls fail and an investment professional obtains material non-public information, ORIX Advisers and its affiliates could be restricted in acquiring or disposing of investments on behalf of Clients, which could impact the returns generated for Clients.

**Investment Analysis.** When assessing investment opportunities, ORIX Advisers will rely on resources that may provide limited or incomplete information. In particular, ORIX Advisers may rely on publicly available information and data filed with various government regulators. Although ORIX Advisers expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, ORIX Advisers will not evaluate all privately obtained or publicly available information and data and will not be in a position to confirm the completeness, genuineness or accuracy of the information and data that it will evaluate. As a result, there can be no assurance that the due diligence exercise carried out by ORIX Advisers will reveal or highlight all relevant facts or pertinent risks that may be necessary or helpful in evaluating the investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment made by a Client.

**Litigation & Regulatory Investigations.** ORIX Advisers, its Clients and perhaps certain of their investors may be a party to lawsuits initiated by third parties, including Portfolio Investments, other shareholders or governmental bodies. There can be no assurance that any litigation, once begun, will be resolved in favor of the Client. As a result, a Client may be exposed to the risk of monetary damages and other sanctions or remedies. In addition, ORIX Advisers may be subject from time to time to formal or informal investigations or inquiries by the SEC and other governmental and self-regulatory organizations in connection with its activities. Litigation and regulatory investigations may require significant time of ORIX Advisers’ personnel, and the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by Clients and would reduce net assets or could require Client investors to return distributed capital and earnings.

**Reliance on Key Personnel.** Decisions to make certain investments on behalf of a Client pursuant to the discretionary rights and decisions with respect to the management of the investments will be made by ORIX Advisers in its sole discretion, subject to certain rights relating to management of the investments that may be retained by a Client. The success of the investments will depend on the ability and expertise of ORIX Advisers and its investment professionals to identify, consummate, and manage suitable investments. The loss of the services of one or more of the key persons or such other persons providing advisory services to a Client could have an adverse impact on ORIX Advisers ability to realize the Client’s investment objectives. There can be no assurance that any key person or any other investment professional will continue to be associated with ORIX Advisers throughout the term of the Governing Documents or that ORIX Advisers will be able to attract and retain replacements or additional persons when needed.

**Devotion of Time and Attention by Management.** Subject to any key person devotion of time obligations included in a Client’s Governing Documents, ORIX Advisers’ investment professionals will devote such time and effort in conducting activities on behalf of each Client as ORIX Advisers reasonably determines is appropriate to perform its duties to such Client. It is possible that such time and attention to a particular Client will be insufficient to adequately manage the affairs of such Client, and investment returns for such

Client may suffer as a result of this. It is also possible that comparatively more time and attention will be devoted to a different Client depending on business needs of such Client. In addition, ORIX Advisers personnel may have an incentive to spend greater time with certain Clients that pay higher Management Fees and/or Carried Interest and/or with which ORIX Advisers' personnel have a particular relationship. As a result, the investment returns of such Clients may suffer as compared to the other Clients which receive more time and attention.

**Competition for Investment Opportunities.** ORIX Advisers operates in a highly competitive market for investment opportunities and will compete for investments with various other investors, such as other public and private funds, commercial and investment banks and commercial finance companies. The lending, investment and securities industries, and the various financial markets in which ORIX Advisers participates are extremely competitive and each involves a degree of risk. ORIX Advisers will compete with firms, including many of the larger lending, securities and investment banking firms, which have substantially greater financial resources and research staffs. Such other firms may have investment objectives that overlap with those of ORIX Advisers, which may create competition for investment opportunities. Some competitors may have a lower cost of funds and access to funding sources that are not available to ORIX Advisers and may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and to establish more relationships. These competitive pressures could impair ORIX Advisers' ability to take advantage of certain attractive investment opportunities on behalf of Clients.

Additionally, the markets in which Clients invest are competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that ORIX Advisers will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other Pooled Vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce a Client's opportunity for profit by generally increasing price pressure on desired assets, reducing mis-pricings in the market as well as the margins available on those mis-pricings that can still be identified.

**Investments Longer than Term.** Clients may make investments, which may not be advantageously disposed of prior to the expiration of Client's respective investment vehicle life terms. Although ORIX Advisers expects that the investments will be disposed of prior to the expiration of the applicable term, Clients may take a reasonable period of time from the expiration of the term to wind up their affairs and dispose of assets, in accordance with the terms of Client's Governing Documents. In light of the foregoing, prospective investors should note that Clients may have to sell, distribute or otherwise dispose of Client investments at a disadvantageous time.

**Cybersecurity Risk.** ORIX Advisers, Clients and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. The computer systems, networks and devices used by ORIX Advisers, Clients and their respective service providers to carry out routine business operations employ a variety of protections designed to mitigate damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices are subject to a variety of different threats or risks that could adversely affect Clients and their investors. ORIX Advisers, Clients and the investors in such Clients could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes, or website access or functionality. Other incidents, such as user errors, power outages and catastrophic events such as fires, floods, hurricanes and earthquakes, may also result in cybersecurity breaches.

Third parties may also attempt to fraudulently induce employees, investors, third-party service providers, or other users of ORIX Advisers' systems to disclose sensitive information to gain access to ORIX Advisers' data or that of the Client and their investors. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to Clients; impediments to trading; the inability of ORIX Advisers and other service providers to transact business; violations of applicable privacy and other laws (including the release of private investor information); regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which Clients invest; counterparties with which Clients engage in transactions; governmental and regulatory authorities; exchange and other financial market operators; and other persons with which Clients, ORIX Advisers or one of their respective service providers does business. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

**Artificial Intelligence Technologies.** Recent technological advances in artificial intelligence and machine learning technologies (collectively, "AI Technologies"), including, for example, the OpenAI ChatGPT application, create opportunities as well as risks for ORIX Advisers, Clients and portfolio companies. While ORIX Advisers is evaluating ways to utilize AI Technologies in connection with its business, operating and investment activities, it expects certain of its portfolio companies will use such technologies. Actual usage of such AI Technologies will vary across the business of ORIX Advisers, and while it expects from time to time to adopt and adjust usage policies and procedures governing the use of AI Technologies by its personnel, there is a risk of misuse of such AI Technologies.

Further, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate, nor does ORIX Advisers generally expect to be involved in the collection of such data or development of such algorithms in the ordinary course. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data as well as algorithms in use could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact ORIX Advisers, Clients or portfolio companies to the extent they rely on the work product of such AI Technologies. The volume and reliance on data and algorithms also make AI Technologies, and in turn ORIX Advisers, Clients and its portfolio companies, to the extent such AI Technologies are used, more susceptible to cybersecurity threats. In addition, ORIX Advisers, Clients and the companies could be exposed to risks to the extent third-party service providers or any counterparties use AI Technologies in their business activities. ORIX Advisers will not be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilizing AI Technologies are provided. In addition, AI Technologies may be competitive with the business of certain portfolio companies or increase the potential for obsolescence of a portfolio company's products or services (particularly as the capabilities of AI Technologies improve), and accordingly the increased adoption and use of AI Technologies may have an adverse effect on portfolio companies or their respective businesses. For more information on risks relating to information security and data use see "*Cybersecurity Risks*" above.

Moreover, use of AI Technologies could include the input of confidential information (including material non-public information) in contravention of applicable non-disclosure agreements or policies and procedures, and could result in such confidential information becoming part of a dataset that is accessible by AI Technologies' applications and users. AI Technologies and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

**Legal and Regulatory Risk.** Changes in U.S. federal, state and local laws and regulations can occur at any time and include the adoption of new laws and regulations, and the amendment or repeal of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (including, but not limited to, the SEC, the U.S. Commodity Futures Trading Commission, the Internal Revenue Service, the U.S. Federal Reserve, the Committee on Foreign Investment in the United States and the Financial Industry Regulatory Authority). Changes in laws and regulations may adversely impact the investments held in Client accounts.

**Data Privacy Legislation.** ORIX Advisers is subject to various laws and regulations related to privacy and data protection. Numerous U.S. states, including the State of California, have adopted or are considering state privacy and data protection laws. In the future, other jurisdictions may adopt additional laws and regulations the scope and terms of which are not currently clear. Several of these laws and regulations contain substantial financial penalties or the potential for substantial liabilities for violations of them even if such violations are unintentional or inadvertent. Thus, ORIX Advisers may incur substantial liabilities if it is determined to have breached a data protection law or regulation. Even though ORIX Advisers will endeavor to comply with such laws and regulations, many of them are new and interpretations of some of their provisions are not yet clear. In addition, a number of the laws and regulations contain subjective elements which could allow a regulator or third party to challenge ORIX Advisers' compliance efforts and determinations even if they were made in good faith.

**Tax Reform Risks.** Tax law is subject to change and various historic and current legislative proposals could affect Clients and investors. Under current law, capital gains in respect of an adviser or general partner's right to Carried Interest will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to capital gains allocated to a Client's investors is one year. This Carried Interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the adviser or general partner to cause a Client to hold an investment for longer than three years in order for the adviser or general partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the general partner or employees of the adviser. A general partner and ORIX Advisers may take these potential adverse consequences into account in their management and operation of Clients and in addressing these adverse consequences, the interests of the general partner and ORIX Advisers, on the one hand, may diverge from the interests of the investors, on the other hand.

**Environmental, Social and Governance ("ESG") Matters.** ESG factors are among the many factors ORIX Advisers will consider in making an investment, consistent with and subject to the Governing Documents of the relevant Client and any applicable legal, regulatory, fiduciary or contractual duties. To the extent that ORIX Advisers engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of ORIX Advisers will depend on its skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The consideration of ESG factors may affect a Client's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact a Client's performance depending on whether certain investments are in or out of favor. Additionally, ORIX Advisers' consideration of ESG factors and application of its ESG policy when evaluating an investment is expected, in certain instances, to cause ORIX Advisers not to make an investment that it would otherwise have made or to make a

management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that a Client could underperform compared to investment vehicles or accounts that do not take ESG factors into consideration, or which are advised by managers not subject to the same ESG policy. In particular, ORIX Advisers has identified, as part of its ESG policy, a limited number of restricted industries in which it generally seeks to avoid investing on behalf of a Client, absent mitigating circumstances. Certain other industries that ORIX Advisers has identified as presenting higher sustainability risks are further subject to careful evaluation prior to investment consideration. Consideration of non-pecuniary factors, such as ESG, as described herein, may cause the Client to achieve lower returns than it would if such factors were not considered.

Integrating ESG factors into the investment due diligence and decision-making process is qualitative and subjective by nature, and ESG factors, issues and considerations are expected to vary among Clients and their respective investments (and will not apply to such Clients or their investments in every instance) based on the particular facts and circumstances and Governing Documents of the respective Client. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized by ORIX Advisers, or any judgment exercised by ORIX Advisers, will reflect the beliefs or values, or internal policies or preferred practices, of any particular Client or investor. In evaluating a Portfolio Investment, ORIX Advisers is dependent upon information and data obtained through the Portfolio Investment or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause ORIX Advisers to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a Portfolio Investment's ESG-related practices or ORIX Advisers' assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and ORIX Advisers' adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. ORIX Advisers' ESG policies could become subject to additional regulation in the future, and ORIX Advisers cannot guarantee that its current approach will meet future regulatory requirements.

**Interpretation of the Governing Documents.** The Governing Documents are detailed agreements that establish complex arrangements among the investors, Clients, general partners, ORIX Advisers and other entities and individuals. Questions will arise, from time to time, under these documents regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the Governing Documents' drafting and execution. In these instances, the operative provisions of the Governing Documents, if any, may permit more than one reasonable interpretation. At times, there will not be a provision directly applicable to the situation. While the relevant Governing Documents will be construed in good faith and in a manner consistent with applicable legal and fiduciary obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Clients or the investors.

**Non-Discretionary Accounts.** If a Client has retained ORIX Advisers to manage an account on a non-discretionary basis ("Non-Discretionary Client"), there is the potential for the Non-Discretionary Client to be disadvantaged because ORIX Advisers generally must obtain the Non-Discretionary Client's approval prior to effecting investment transactions, including extension, renewal and/or disposition of investments (or portion thereof), on their behalf (unless otherwise agreed to with the Non-Discretionary Client). In some instances, Non-Discretionary Clients will not receive notification of proposed investments from ORIX Advisers and/or will not provide consent to such investments until after ORIX Advisers' discretionary accounts have had their final allocation amount determined and/or finished investing. In addition, in certain instances, a Non-Discretionary Client may be precluded from participating in certain investment



opportunities that are available to discretionary Clients if ORIX Advisers is unable to obtain the Non-Discretionary Client's consent in a timely fashion. As a result of these and other factors, the performance of Non-Discretionary Clients' accounts can differ from (and be better or worse than) the performance of discretionary accounts following the same investment strategy.

**Benchmark Rate Risk.** The London Inter Bank Offered Rate ("LIBOR") is an estimate of the interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market and was widely used as a reference for setting the interest rate on payment obligations, financing terms and financial instruments globally. Consistent with prior announcements by the United Kingdom's Financial Conduct Authority ("FCA"), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 ("LIBOR Act"). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a "determining person" as defined in the legislation, once U.S. dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve (the "Federal Reserve") has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate ("SOFR")-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

**SOFR Risk.** SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the "New York Fed") based on data received from other sources, we have no control over its determination, calculation, or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Clients. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked floating rate instruments. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, the return on and value of SOFR-linked floating rate instruments may fluctuate more than those linked to less volatile rates. All of the foregoing risks may affect the financial instruments, which in turn may adversely affect the performance of Clients.

**Alternative Benchmark Rate Risk.** Certain financial instruments use floating interest rates based on alternative benchmark rates other than SOFR. Such alternative benchmark rates, like SOFR, may not have been widely used by market participants until relatively recently, and they may not perform exactly the same as LIBOR because they are calculated and administered differently. Generally, the use of alternative benchmark rates (including SOFR) may (i) cause the value of the interest rate on such bonds and loans to be uncertain or to be lower or more volatile than it would otherwise be, (ii) result in uncertainty as to the functioning, liquidity or value of such bonds and loans, and/or (iii) involve actions of regulators or rate administrators that may adversely affect certain markets or contracts underlying such bonds and loans. All

of the foregoing could adversely affect the return on and value of the related floating rate instruments in which Clients invest.

**Valuation Risk.** The sales price a Client could receive for any particular investment may differ from the value at which the investment is carried by such Client (whether determined by ORIX Advisers or the Client's owner, custodian, administrator or other service provider), particularly for investments and/or securities that transact/trade in illiquid, thinly traded or volatile markets, that are priced based upon valuations provided by third-party pricing services that use matrix or evaluated pricing systems, or that are valued using a fair value methodology. Portfolio Investments held by Clients are not publicly traded and their fair values often are not readily determinable. ORIX Advisers will value Portfolio investments, in good faith, pursuant to ORIX Advisers' valuation policies and procedures and in accordance with U.S. generally accepted accounting principles. However, such valuations are subjective in nature. Actual amounts realized with respect to a Portfolio Investment could vary significantly from the value at which the Portfolio Investment is held at any time. The exercise of discretion in valuation by ORIX Advisers gives rise to conflicts of interest. This is because valuations (including, for instance, determination of when an investment should be written down or written off) impact ORIX Advisers' track record and the performance allocation for certain Clients is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees, such as Carried Interest, and calculation of the Management Fee.

**Failure of Risk Management Procedures and Methods.** The risk management techniques and strategies used by the investment professionals of ORIX Advisers may not be effective in mitigating each Client's risk exposure in all economic market environments or against all types of risk, including risks that the investment professionals of ORIX Advisers fail to identify or anticipate. Some of the qualitative tools and metrics for managing risk may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the investment professionals of ORIX Advisers did not anticipate or correctly evaluate in their models. In addition, any quantified modeling performed does not take all risks into account and could prove insufficient, exposing the Client to material unanticipated losses. Other risk management methods depend upon evaluation of information that is publicly available or otherwise accessible by ORIX Advisers. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

**Business and Market Risks.** A Client's Portfolio Investments involves a high degree of business and financial risk that can result in substantial losses. Portfolio Investments may face competition, changing business or economic conditions or other developments that may adversely affect their performance. Certain investments may be in businesses with little or no operating history or may be highly leveraged and therefore may be more sensitive to declines in revenues, increases in expenses and adverse business, political or financial developments or economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such companies or their industries. Business risks may be more significant in smaller Portfolio Investments or those that are embarking on a build-up or operating turnaround strategy. If, for any of these reasons, a Portfolio Investment is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the Client's investment in such Portfolio Investment could be significantly reduced or even eliminated.

In addition, general fluctuations in the market prices of securities may affect the value of the investments held by the Client. Instability in the securities markets may also increase the risks inherent in the Client's investments. The ability of Portfolio Investments to refinance debt securities may depend on their ability to sell new securities in the public high-yield market or otherwise. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

The Portfolio Investments are expected to be privately-held companies and the operating results of such investments in a specified period will be difficult to predict. In the event any of such Portfolio Investments consummates an initial public offering (“IPO”) or is acquired by a special purpose acquisition company (a “SPAC”) during the Client’s holding period, it will be subject to reporting requirements that could have a significant impact on the valuation of such Portfolio Investment’s shares on any trading day.

**Investments in Public Companies.** The Client may hold public securities to the extent a Portfolio Investment and/or any of their respective subsidiaries consummates an IPO or is acquired by a SPAC during the Client’s holding period or if the Client otherwise received public securities in connection with an exit transaction or similar event involving a Portfolio Investment. Investments in public companies may subject the Client to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include movements in the relevant stock market and trends in the economy, greater volatility in the valuation of such companies, increased obligation to disclose information regarding such companies, limitations on the ability of the Client to dispose of such securities at certain times (including due to the possession by the Client of material non-public information) increased likelihood of shareholder litigation against such companies’ board members, which may include personnel of ORIX, regulatory action and increased costs associated with each of the aforementioned risks. In addition, business combinations with a SPAC may pose additional risks (and may have additional costs) such as failure of the SPAC shareholders to approve a transaction, shareholder redemption and uncertainty of available cash at the SPAC to execute the transaction, and limited recourse upon failure of a business combination to close.

**CFIUS & Foreign Investment Clearance Considerations.** In some cases, Portfolio Investments involving the acquisition of, or investment in, a U.S. business (including a U.S. branch or subsidiary of a Portfolio Investment domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”). Notably, new regulations to reform CFIUS, which became effective on February 13, 2020, make CFIUS filings relating to certain investments in critical technology, critical infrastructure or personal data-intensive businesses mandatory. These categories are broad and may capture companies operating within an ORIX Advisers investment strategy. Any failure to make a mandatory filing could lead to adverse scrutiny and legal penalties. There is an increased risk that CFIUS filings will be mandatory for a Client as ORIX Advisers and its affiliates are all indirect wholly-owned subsidiaries of ORIX Corporation, a Japanese company. Regardless, ORIX Advisers may decide for a Client to make CFIUS filings for reasons related to ORIX Advisers’ general strategy that are not specific to the Client, even if such filings are not mandatory.

Moreover, countries outside of the U.S. are increasingly taking action to strengthen their own foreign investment clearance (“FIC”) regimes. As a result, certain Portfolio Investments with business outside the U.S. may likewise be subject to review by non-U.S. FIC regimes if such Portfolio Investments are perceived to implicate national security policy priorities. CFIUS and other FIC regulatory practices are evolving rapidly, and CFIUS and other FIC regulators have substantial discretion in deciding how to interpret, apply, and enforce the relevant regulations. If an investment is subject to review and approval by CFIUS or another FIC regulator, this may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things.

A Client may invest in portfolio companies that have previously taken capital from, or may in the future take capital from, third-party investors that are considered “foreign persons” for CFIUS purposes. In some cases, notifications to CFIUS in connections with such third-party investments may be mandatory, and failure to make a notification may result in the imposition of fines or penalties on the investor and/or the portfolio company. In the event that CFIUS reviews such investments, CFIUS may impose limitations or restrictions on the investors or the companies that may adversely impact such companies’ performance and thus the performance of a Client.



Moreover, heightened scrutiny of foreign direct investment worldwide may make it more difficult for a Client to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for investments or cause the Client to favor buyers that it believes are less likely to require or warrant CFIUS or other FIC review, even in circumstances where other buyers may offer better terms or more consideration. As a result, a Client may incur significant delays and costs or be altogether prohibited from making a particular investment, all of which could adversely affect the Client's ability to meet its investment objectives.

**Risk of Realization of Investments.** Portfolio Investments typically will be in private illiquid securities, which are normally subject to restrictions on resale. In most cases, there will be no public market for the securities held by the Client at the time of their acquisition. The Client will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, there can be no assurances that the Portfolio Investments can be sold on a private basis. In some cases, the Client may be prohibited by contract from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the Portfolio Investments may require a substantial length of time to realize a return or fully liquidate. In particular, any merger control filings, approvals or other requirements imposed by antitrust laws in connection with certain transactions may impose burdensome notification requirements, cause operational restrictions or substantial delays in exiting Portfolio Investments, and/or limit the Client's ability to exit Portfolio Investments entirely. The Client may exit some Portfolio Investments through distributions in kind to its partners, after which partners will bear the risk of holding the securities and must make their own disposition decisions.

Given the nature of the Portfolio Investments, there is a material risk that the Client may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy, of its Portfolio Investments. In particular, these risks could arise from changes in the financial condition or prospects of the Portfolio Investments in which the investment is made, changes in national or international economic or political conditions, changes in debt and equity capital markets, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made.

In connection with the disposition of an investment in a Portfolio Investment, the Client may be required to make representations about the relevant business and financial affairs of the Portfolio Investment or may be responsible for the contents of disclosure documents under applicable securities laws. The Client may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by proceeds, including return of capital, from the Client's other investments or by the investors.

**Reliance on Portfolio Investment Management Teams.** Each Portfolio Investment's day-to-day operations will be the responsibility of such Portfolio Investment's management team. Although OCP will be responsible for monitoring the performance of the Portfolio Investments, either through interaction with, or participation on, the board of directors of the Portfolio Investments and/or by maintaining an ongoing dialogue with the Portfolio Investments' management team, there can be no assurance that the existing management teams of the Portfolio Investments or any successors thereto will be able to successfully operate the Portfolio Investments in accordance with the Client's investment thesis and plans. Additionally, each Portfolio Investment will be required to attract, retain and develop executives and members of its management team. Portfolio Investments may seek to attract and retain executives to their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that the

Portfolio Investments will be able to attract, develop, integrate, and retain suitable members of its management team and, as a result, the Client may be adversely affected thereby.

**Long-Term Investments.** Portfolio Investments may not be liquidated for several years after the Client's initial investment. Factors such as overall economic conditions, the competitive environment and the availability of potential acquirers may shorten or lengthen the Client's holding period. Accordingly, an investment in the Client should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Client's ability to dispose of investments may be limited for several reasons (some or all of which may be outside of each respective Client's control). Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on resale by the Client. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Client invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition, recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. Furthermore, the Client's investments may be subject to industry cyclicity, downturns in demand, market disruptions and the lack of available capital for potential purchasers and may therefore be difficult or time-consuming to liquidate. In view of these limitations on liquidity, the Client may not be able to return capital or realize gains on an investment until the partial or complete disposition of such investment. Furthermore, the expenses of operating the Client for a long period of time (including Management Fees payable by the Client to ORIX Advisers) may exceed the Client's income, thereby requiring that the difference be paid from the Client's capital, including investor's unfunded Capital Commitments.

**Risks in Effecting Operating Improvements.** The success of the Client's investment strategy typically will depend, in part, on the ability of the Client or the Portfolio Investment management team. Identifying and implementing restructuring programs and operating improvements at the Portfolio Investments entails a high degree of uncertainty. There can be no assurance that the Client or the management of the Portfolio Investments will be able to successfully identify and implement such restructuring programs and improvements.

**Financially Troubled Companies.** Financially troubled companies are in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, or facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Investments in such financially troubled companies involve significantly greater risk than investments in nontroubled companies, and the repayment of obligations of financially troubled companies is subject to significant uncertainties. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Deterioration of the Credit Market.** A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, the Client's ability to consummate or profit from existing or future Portfolio Investments. More specifically, the ability of any Portfolio Investment to finance or refinance its debt securities could depend on its ability to sell new

securities in the high-yield debt or bank financing markets. Adverse changes in economic or financial market conditions like those that occurred in past years, such as the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk, could lead to the deterioration of the global credit markets (particularly the U.S. credit markets) and would make it difficult for sponsors to obtain favorable financing for investments. The recurrence of such marketplace events would significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn would lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments, or to only offer committed financing for investments on relatively unfavorable terms. In addition, to the extent such marketplace events recur, they would have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies.

In addition, the recurrence of an economic downturn could adversely affect the financial resources of the Client's Portfolio Investments and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Client could lose both invested capital in and anticipated profits from affected Portfolio Investments. Such a marketplace would likely impair the Client's ability to consummate certain transactions or cause the Client to enter into certain transactions on less attractive terms. The Client's ability to generate attractive investment returns for its investors could be adversely affected to the extent its Portfolio Investments are unable to obtain favorable financing terms for their investments.

**Uncertain Exit Strategies.** Due to the illiquid nature of certain positions which Clients are expected to acquire, as well as the uncertainties of the reorganization and active management process, ORIX Advisers is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

**Portfolio Investment Affairs.** On behalf of a Client, ORIX Advisers participates in, and at times influences the conduct of, the affairs or management of a Portfolio Investment, which may result in the Client's inability to purchase or sell the securities of such Portfolio Investment. Partners, officers, managers, employees, consultants, Operating Advisors, Advisory Board members or affiliates of ORIX Advisers and its affiliates or designees may serve as directors of, or in a similar capacity with, a Portfolio Investment. In the event that material non-public information is obtained with respect to a Portfolio Investment, or a Client becomes subject to trading restrictions pursuant to the internal trading policies of a Portfolio Investment, or as a result of applicable law or regulations, the Client may be prohibited for a period of time from purchasing or selling the securities of a Portfolio Investment, and as a result be prevented from increasing its exposure (or maintaining its relative ownership stake, in the case additional securities are issued by such Portfolio Investment) to an investment position which appreciates, or divesting from or exiting an investment position which decreases in value. Serving in such capacities will also create a conflict of interest in connection with the simultaneous fiduciary duties owed to the Client and to the Portfolio Investment. Any such restrictions may have a significant adverse effect on the Client and the value of any investment in, or made by, the Client.

**Restrictions on Transfer or Withdrawal.** Interests in the Client represent highly illiquid investments and should be acquired only by investors able to commit their funds for an indefinite period of time. Investors generally will not be permitted to transfer an interest in the Client without the consent of the General Partner. The transferability of interests in the Client will be subject to certain restrictions contained in the Governing Documents and may be affected by restrictions on resales imposed under federal and state securities laws. A public market is not expected to develop for the Client. Investors in the Client may not withdraw capital from the Client. Consequently, an investor may not be able to liquidate its investment in the Client prior to the completion of the winding up of the Client.

**Highly Concentrated Investment.** In pursuit of its investment strategy, OCP invests nearly all of the Clients' capital in securities issued by a limited number of Portfolio Investments. Therefore, a Client may be much more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of such Portfolio Investment (for instance, conditions affecting the global market, conditions affecting the sector in which such Portfolio Investment operates or the geographic area in which its activity are focused) than a less concentrated and leveraged portfolio would be. Any such investment technique may increase the volatility of investment results over time. Additionally, a decline in the value of the securities of such Portfolio Investment could have a material adverse impact on the Client's assets, and, in turn, the value of any investment in, or made by, the Client.

**Control of a Portfolio Investment.** The Client typically takes a controlling stake in Portfolio Investments. This may involve a number of risks, such as the risk of liability for environmental damage, product defect, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored. In addition, in connection with the disposition of the investment in such Portfolio Investment, the Client may make representations and warranties about such Portfolio Investments' business and financial affairs typical of those made in connection with the sale of any business or may be responsible for the contents of disclosure documents under applicable securities law. The Client may also be required to indemnify the purchasers of the investment in the Portfolio Investment or underwriters, including ORIX Advisers' affiliates to the extent that any such representations and warranties or disclosure documents turn out to be incorrect, inaccurate or misleading. All of these risks or arrangements may create contingent or actual liabilities and materially affect the Client and any investment in, or made by, the Client.

**Trading and Investing Affiliates.** ORIX Advisers may affect certain investments for the Client through limited partnerships, limited liability companies, corporations, or other vehicles sponsored or managed by ORIX Advisers or third parties. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of the Client and other investors of such vehicle in the assets of such vehicle.

**Negative Impact of Multiple Series.** Depending on the timing and size of investments by different series of the Client ("Series"), situations may arise where ORIX Advisers' investment decision for one Series could potentially negatively affect other Series or the Client overall. Notwithstanding the foregoing, no limited partner will bear any costs or liabilities relating to any Portfolio Investments or Series in which it does not participate (or any subsidiaries of such Series).

**Leverage Risk.** Some Client investments involve significant leverage through various types of financings. While leverage presents opportunities for increasing total return, it will have the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Client will be magnified to the extent it is leveraged. The cumulative effect of the Client's use of leverage in a market that moves adversely to the Client's investments can result in a substantial loss, which would be greater than if the Client's investments were not leveraged. Leverage will increase the Client's exposure to adverse economic factors such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the Client's investments or their corresponding markets. In addition, recourse debt, which the Client may reserve the right to obtain, may subject other assets of the Client and its investor's investments to risk of loss.

## **Item 9. Disciplinary Information**

---

Item 9 is not applicable to ORIX Advisers.

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

---

The information provided below is a high-level summary of certain potential conflicts of interest that may arise from the investment activities of ORIX Advisers, its Clients and affiliates, but is not intended to be an exhaustive list of all such conflicts. ORIX Advisers, in managing its Clients and future clients may face other conflicts of interest in the future that cannot be foreseen or mitigated at this time.

### **Affiliated Service Providers**

ORIX Advisers uses the services of ORIX USA Group for certain investment and non-investment related services, including but not limited to, underwriting, credit, risk, legal and compliance and related support services, general services, human resources, portfolio transaction services, finance and accounting, audit, administrative services, back office services, and information and technology support services, without specific consent by the Client, except to the extent explicitly restricted by Clients in or pursuant to its Governing Documents, or consistent with applicable law. Certain services agreements between ORIX Advisers, an ORIX USA Group entity, and certain affiliates document such arrangements. ORIX Advisers remains fully responsible for its Clients from a legal and contractual perspective.

Lument Securities, LLC (“Lument Securities”), another affiliate of ORIX Advisers and a FINRA-registered broker-dealer, will provide placement agent services for certain Funds managed by ORIX Advisers. Subject to a Client’s Governing Documents and other than reimbursement for certain expenses, no additional fees will be charged to a Client for the affiliates’ services. When engaging an affiliate, ORIX Advisers, because of its financial or other business interest, has an incentive to recommend its affiliate even if another person is more qualified to provide the applicable services. Arrangements such as these can create potential conflicts of interest in that ORIX Advisers could be viewed as placing its interests and the interests of its affiliates ahead of Clients’ interests.

NXT Capital Investment Advisers, LLC and Lument Investment Management, LLC, affiliates of ORIX Advisers and SEC-registered investment advisers, provide sub-advisory services to certain Clients of ORIX Advisers. ORIX Advisers remains fully responsible for its Clients and Other Clients from a legal and contractual perspective. Subject to a Client’s Governing Documents and other than reimbursement for certain expenses, no additional fees will be charged to a Client for the affiliates’ services. When engaging an affiliate, ORIX Advisers, because of its financial or other business interest, has an incentive to recommend its affiliate even if another person is more qualified to provide the applicable services. Arrangements such as these can create potential conflicts of interest in that ORIX Advisers could be viewed as placing its interests and the interests of its affiliates ahead of Clients’ interests.

### **Affiliated Broker-Dealers**

Lument Securities, LLC (“Lument Securities”) is an affiliated broker-dealer registered with the SEC and is a member of FINRA. Lument Securities currently does not, but may in the future, execute securities transactions on behalf of Clients. Lument Securities may in the future provide placement agent services for certain Funds or Clients managed by ORIX Advisers.

### **Conflicts as to ORIX Corporation, ORIX USA Group and Affiliates**

ORIX Advisers is indirectly wholly-owned by ORIX USA. ORIX USA is a diversified financial services company and wholly-owned subsidiary of ORIX Corporation. The relationship of ORIX Advisers as an indirect wholly-owned subsidiary of ORIX USA and ORIX Corporation creates several potential conflicts of interest as described below.



ORIX Corporation and ORIX USA Group, separately from ORIX Advisers, and also through ORIX Advisers and its other affiliated investment advisers, invests and trades in securities, real estate, loans or other financial interests and makes other investments for its own proprietary accounts, utilizing strategies and types of securities that, from time to time, compete or will be in conflict with ORIX Advisers' activities on behalf of its Clients. ORIX Advisers and its personnel could be incentivized by virtue of their relationship with ORIX Corporation and/or ORIX USA Group, to compete less vigorously with ORIX Corporation and/or ORIX USA Group for investment opportunities, or otherwise conduct their activities (e.g., with respect to the timing of its transactions) in a manner that disadvantages ORIX Advisers' Clients. ORIX Advisers and its other affiliated investment advisers may also give advice and take action in the performance of their respective duties to one client, which may differ from the timing and nature of actions taken with respect to another client(s), including ORIX Advisers' SMAs with ORIX USA Group. Such actions could at times be adverse to ORIX Advisers' Clients, and ORIX Advisers has an incentive to favor the interests of its affiliates in such circumstances. Furthermore, ORIX Advisers SMAs with ORIX USA Group are non-discretionary accounts where ORIX USA's investment committee has investment discretion, creating a greater likelihood that the actions taken on such client accounts may differ from the timing and nature of actions taken on behalf of other Clients, in particular those where ORIX Advisers has discretionary investment authority. Certain proprietary accounts of ORIX USA Group are also not clients of ORIX Advisers or its other affiliated investment advisers and investment decisions on behalf of those proprietary accounts are also made by ORIX USA's investment committee. In addition, the portfolio strategies that ORIX Advisers and/or its affiliates, including ORIX USA Group, use could conflict with the transactions and strategies ORIX Advisers employs in managing its Clients, and may affect the prices and availability of the securities and other financial instruments in which ORIX Advisers invests on behalf of Clients.

ORIX Corporation and/or ORIX USA Group does, and will likely in the future, invest in the same securities as Clients, sometimes at the same time and as part of the same transaction and other times before or after a Client invests. At times, decisions with respect to ORIX Corporation and/or ORIX USA Group proprietary accounts will be made by ORIX Corporation and/or ORIX USA Group in a manner that differs from decisions made by ORIX Advisers for Clients (or decisions made by Clients or Other Clients in the case of non-discretionary accounts). These decisions could result in Clients' accounts having a different outcome than proprietary accounts and such outcome could be that a Client's account's value is adversely impacted in comparison to the proprietary account's value. However, decisions for Clients and decisions for the ORIX Corporation and/or ORIX USA Group proprietary accounts are made by different investment committees. Nonetheless, there may be an overlap in the composition of membership between the ORIX USA investment committee and the investment committees of ORIX Advisers and certain members of the ORIX USA investment committee will also be observers of the investment committees of ORIX Advisers and vice versa.

In addition, a Client is expected to make an investment in a company in which one or more of ORIX Corporation, ORIX USA Group, ORIX Persons, ORIX Advisers and its other affiliates, Clients, Other Clients, or other clients managed by affiliated investment advisers (collectively, "Investing Parties" and each an "Investing Party") is expected to invest, or already has invested, or may in the future invest in a different part of the capital structure, which could mean that one Investing Party's interest in that company will have different rights, preferences and privileges than the interests held by a Client. There could be instances where such a company becomes insolvent or bankrupt and where an Investing Party's interests in such company conflicts with the interests of other Investing Parties if they were invested in different parts of the capital structure. In such cases, ORIX Advisers and its affiliates could face decisions where the interests of other Investing Parties and Clients are in conflict. It is possible that a Client's interest will be subordinated or otherwise adversely affected by virtue of other Investing Parties' involvement and actions or inactions relating to such investment, in a bankruptcy proceeding or otherwise. In addition, a Client can be expected to hold an interest in the more senior portion of an issuer's capital structure while another Investing Party holds a more junior security of that issuer. In such instances, ORIX Advisers would

experience a conflict of interest in making determinations regarding the senior securities held by a Client, as decisions on behalf of such Client to enforce remedies or take other actions against the borrowers under such senior securities or the related collateral could adversely impact the value of the more junior securities held by another Investing Party. In such situations, ORIX Advisers may be incentivized to decline to enforce such remedies or take such actions on behalf of the senior securities held by the Client in order to protect the value of the junior securities held by the other Investing Party, which could adversely affect the returns to such Client. See “Capital Structure Conflict” below for additional information regarding the conflicts discussed above.

ORIX USA Group is currently, and is expected to remain, an investor in certain Clients. ORIX Persons are also expected to invest in certain Clients. ORIX Advisers typically allows ORIX USA Group and ORIX Persons to invest with lower or no fees (e.g., management, incentive and/or carried interest) and may feel obligated to permit ORIX USA Group or ORIX Persons to invest on terms (for example, preferential investment, withdrawal and distribution rights, favorable trade allocations and pricing, and greater and earlier information transparency) that are better than those available to other unaffiliated investors. In addition, ORIX USA Group’s investment (and the investment of any ORIX Persons) in certain Clients creates an incentive for ORIX Advisers to allocate investment opportunities to Clients in which ORIX USA Group (or such ORIX Persons) invest or to ORIX USA Group (or ORIX Persons) itself, instead of other Clients in which ORIX USA Group (or such ORIX Persons) may have a lesser, or no, investment.

In addition to responsibilities with respect to the management and investment activities of its Clients, ORIX Advisers, its affiliates and their personnel could have similar responsibilities with respect to accounts other than ORIX Advisers’ Clients and could have other business commitments from time to time. Such accounts could have investment programs and/or objectives that overlap with or otherwise compete with that of its Clients. In addition, subject to the terms of the Governing Documents, ORIX Advisers, its affiliates and ORIX Persons can engage in or possess an interest in other business ventures of every nature and description for their own account, independently or with others, whether or not such other enterprises are in competition with any activities of Clients or could otherwise be adverse to one or more Client. Neither a Client nor an investor in such Client will have any right by virtue of the Governing Documents or otherwise to invest in such independent ventures or to any income or profits derived there from. Conflicts could arise as a result of such other activities. ORIX Persons may engage in transactions that would be suitable for a Client.

ORIX Advisers and its affiliates can provide services to or serve as officers (whether supervisory or managing), directors, principals, employees, partners, managers, members, agents, nominees or signatories of, entities that operate in the same or a related line of business as a Client or clients managed by ORIX Advisers’ affiliates. In serving in these multiple capacities, they could have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of the Clients. A Client could compete with these and other entities managed by ORIX Advisers and its affiliates for capital and investment opportunities. Although the personnel of ORIX Advisers will devote as much time to a Client as ORIX Advisers deems appropriate to perform its duties in accordance with the applicable Governing Documents and reasonable commercial standards, the personnel could have conflicts in allocating their time and services among the Client, other Clients, and other investment accounts managed by ORIX USA Group and its affiliates.

Conflicts of interest may also arise as a result of certain ORIX Persons having roles both with respect to ORIX Advisers and a Client and with respect to other ORIX Corporation, ORIX USA Group entities or other affiliated investment advisers. For example, an ORIX USA Group officer is a member of the OCP’s Investment Committee (the “Committee”). Investment opportunities sourced by ORIX Persons will generally be made available to ORIX USA Group or an affiliate including ORIX Corporation prior to being offered to ORIX Advisers or OCP Fund I, subject to the terms of the Governing Documents and any Side Letters with limited partners. This particular ORIX Person’s various roles will limit the amount of time

and input such ORIX Person is able to spend with respect to OCP Fund I and ORIX Advisers. As a result of this particular ORIX Person's responsibilities with respect to ORIX USA Group and ORIX Corporation, such ORIX Person may act in the interests of the larger ORIX Corporation and ORIX USA enterprises even when such interests conflict with the interests of OCP Fund I. Other similar dual role situations exist across the business and there could be more such roles in the future. See "Conflicts Resolution Process" for further information regarding the conflicts resolution process utilized by ORIX Advisers.

ORIX Advisers will consider and reject an investment opportunity on behalf of one Client and, ORIX Advisers may subsequently determine to have another Client, or an Investing Party make an investment in the same opportunity. A conflict of interest arises because such Client or Investing Party will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by ORIX Advisers on behalf of the original Client considering the investment. In such circumstances, the benefitting Investing Party will not be required to reimburse the Client for expenses incurred in connection with researching such investment.

ORIX LP, which is the sole owner of ORIX Advisers, holds a majority of the limited partnership interests in OCP Fund I (referred to herein as the "ORIX Interest"). As the owner of the ORIX Interest and given ORIX USA's role as a potential source of additional financing and/or additional commitments to OCP Fund I and Portfolio Investments, various conflicts of interest exist (or may arise in the future). For example, ORIX LP may invest in OCP Fund I or any Portfolio Investment with more information and increased transparency than that available to other unaffiliated investors (including by receiving information earlier than other unaffiliated investors). ORIX LP will owe no fiduciary or other duties to limited partners in connection with OCP Fund I or any Portfolio Investment and may exercise its rights with respect to OCP Fund I or any Portfolio Investment in its sole discretion in light of its own interests as an OCP Fund I limited partner, without taking into account the interests of other investors in the OCP Fund I, any Portfolio Investment or OCP Fund I itself. Without limiting the generality of the foregoing, ORIX LP may make decisions with respect to the Fund taking into account the interests of its affiliates. ORIX LP will not be entitled to participate in any vote or consent of the OCP Fund I's limited partners, except as specifically provided in the OCP Fund I's Governing Documents.

The structure of OCP Fund I, which allows investors to choose whether to participate in any Portfolio Investment only after the presentation of such investment opportunity to ORIX LP as a limited partner, creates conflicts of interest. OCP Fund I will make certain investments that ORIX Advisers recommends to OCP Fund I in its capacity as OCP Fund I's investment manager. Only after ORIX LP has elected whether to opt-in to a Portfolio Investment and determined the amount of such Portfolio Investment that it intends to make (if any) will the remaining portion of such Portfolio Investment, if any, be offered to the other limited partners of OCP Fund I (subject in each case to the terms of any agreements between ORIX Advisers and any Side Letters with limited partners).

In making a recommendation to OCP Fund I, ORIX Advisers will act in a fiduciary capacity with respect to OCP Fund I. However, in electing whether to participate in an investment and in what amount, ORIX LP will not be acting as a fiduciary and will owe no duties to OCP Fund I or the other limited partners. Rather, ORIX LP will make such determinations in its sole discretion and acting solely on its own behalf based on its own particular investment and non-investment considerations, which may make particular investments more or less attractive to it based on factors not applicable to other limited partners. Such factors may include, without limitation, considerations involving ORIX LP's available capital, ORIX LP's overall portfolio construction, geographic considerations, concentration considerations, and desire for exposure to private investments generally and other factors. ORIX LP will be under no obligation to disclose to other limited partners the factors it uses to make such determinations, and such factors may change over time.

#### **Information Barriers and the Restricted List**



ORIX Advisers and ORIX USA Group currently operate without information barriers across the business that other firms often implement to separate persons who make investment decisions from others who could possess confidential and/or material non-public information that could influence such decisions. In an effort to manage possible risks arising from ORIX Advisers' decision not to implement any barriers, ORIX Advisers maintains a Code of Ethics, as described in Item 11, and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under ORIX Advisers' policies and procedures. In addition, ORIX Advisers' Compliance maintains a list of publicly traded restricted issuers as to which ORIX Advisers and its affiliates could have access to material non-public information and in whose securities Clients are not permitted to trade without prior approval from Compliance. In the event that any employee of ORIX USA Group, including ORIX Advisers, obtains material non-public information, ORIX Advisers could be restricted in acquiring or disposing of investments on behalf of Clients, which could impact the returns generated for Clients. Similarly, if one ORIX USA Group entity acquires confidential or material non-public information or enters into confidentiality agreements or non-disclosure agreements with standstill provisions, all other ORIX USA Group entities, including ORIX Advisers, could be restricted in acquiring or disposing of investments on behalf of their clients, including Clients. ORIX Advisers could encounter conflicting duties to the various Clients, Other Clients, ORIX Persons and ORIX USA Group entities, or have an incentive to avoid taking actions that would impede the operation of the foregoing, and those companies and Clients may be restricted in their ability to participate in transactions involving the applicable issuer (including the sale of existing investments in the applicable issuer or declining to receive non-public information or pursue an investment opportunity that would prevent another of such companies from trading securities of an issuer). The inability to sell securities of such issuers could materially adversely affect the investment results of a Client, including, but not limited to, a material loss with respect to an individual investment or differing results than those obtained by an Other Client, ORIX Person or ORIX USA Group with respect to the same investment. Furthermore, to the extent not restricted by confidentiality requirements or applicable law, ORIX USA Group may apply experience and information gained in providing services to certain Portfolio Investments and/or investments to provide services to competing companies and/or investments of ORIX USA Group, ORIX Persons or Other Clients, which may have adverse consequences for a Portfolio Investment or a Client. Notwithstanding the maintenance of a restricted list and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in ORIX Advisers, or one of its investment professionals, buying or selling a security while ORIX USA Group or its employee is in possession of material non-public information. Inadvertent trading while ORIX USA Group or its employee is in possession of material non-public information could have adverse effects on the reputation of ORIX Advisers, resulting in the imposition of regulatory or financial sanctions, and negatively impacting ORIX Advisers' ability to perform investment management services on behalf of Clients. In addition, while ORIX Advisers and ORIX USA Group currently operates without information barriers, ORIX USA Group and ORIX Advisers could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, ORIX USA Group's ability to operate as an integrated platform could change, which would limit access to certain ORIX Advisers' personnel and impair their ability to manage Clients' investments in the manner in which they currently manage investments.

#### **Board/Creditor Committee Representation**

Employees of ORIX Advisers or its affiliates can serve as members of the board of directors or the bondholder's creditors' committee of a company the securities of which might be held in Client accounts. This typically occurs when the subject issuer files for bankruptcy or enters reorganization proceedings. Generally, employee membership on the board of a publicly traded company requires pre-clearance from Compliance and could be permitted by ORIX Advisers' Chief Compliance Officer when it is deemed to be in the best interest of ORIX Advisers and/or its Clients or does not otherwise present an unreasonable risk or conflict of interest.

### *ORIX Advisers might not be permitted to disclose certain information*

As a member of a board of directors or the bondholder's creditors' committee, employees of ORIX Advisers or its affiliates, Operating Advisors or Advisory Board members could acquire material non-public information about corporations or other entities or their securities. ORIX Advisers and its affiliates are not obligated, and may not be permitted, to disclose any of that information to or for the benefit of Clients, or otherwise act on that information in providing services to Clients. This could cause a conflict of interest between ORIX Advisers' (or its affiliates') legal and/or contractual duty not to disclose material non-public information and its duty to act in the best interest of its Clients. In addition, see "Information Barriers and the Restricted List" above for additional information regarding the impact of receipt of material non-public information.

ORIX Advisers seeks to limit these types of memberships and service arrangements and gives careful consideration to the pros and cons (as to ORIX Advisers) associated with personnel serving as a member of the board of directors or a bondholder's creditors' committee.

### **Allocation of Investment Opportunities**

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases and other judgements that are part of the process. For example, in allocating an investment opportunity among Clients with differing fee, expense and compensation structures, ORIX Advisers has an incentive to allocate investment opportunities to Clients from which ORIX Advisers or its related persons derive, directly or indirectly, higher fees, compensation or other direct or indirect benefits. While ORIX Advisers determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, in its sole discretion, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which ORIX Advisers is subject did not exist. In addressing such conflicts, ORIX Advisers has developed an allocation policy (the "Allocation Policy") that provides a general framework for how investment opportunities are allocated, supplemented by the specific allocation policy of a Client. A summary of the general policy and practices with respect to the allocation of investment opportunities is described herein and in the relevant Governing Documents.

As discussed in "Conflicts as to ORIX Corporation, ORIX USA Group and Affiliates" in Item 10, ORIX USA Group invests and trades in securities or other financial instruments (and makes other investments for its own proprietary accounts utilizing strategies and types of securities that, from time to time, compete with, or can be in conflict with ORIX Advisers' activities on behalf of its Clients. ORIX USA is a wholly-owned subsidiary of ORIX Corporation, which itself employs investment teams globally, whether directly or through subsidiary entities. Furthermore, registered investment advisory entities that are part of ORIX USA Group manage clients in different investment strategies, including but not limited to, private equity, leveraged finance, middle market credit, debt strategies and real estate. Certain Clients have investment programs and/or objectives that overlap with or otherwise compete with those of other clients.

Subject to the terms of a Client's Governing Documents and each investment team's specific allocation policies, a Client will have no right to participate in any investment opportunities sourced by ORIX USA Group, ORIX Corporation or any of its affiliates. In addition, Clients will generally not have the right to participate in investment opportunities sourced by ORIX Advisers' investment teams, other than the investment team directly managing the Client or as described in the applicable Governing Documents as being the source of the Client's investment opportunities (referred to as the "responsible investment team"); provided, however, notwithstanding anything to the contrary, a Client may have a mandate that includes allocations to multiple investment team strategies within ORIX Advisers and/or within the other registered investment adviser entities within ORIX USA Group, and in each such case will be considered a client of each such investment team (regardless of which registered investment adviser contracted with such client).

solely for the purposes of determining the allocation of each such investment team's investment opportunities. Generally speaking, to the extent ORIX Advisers determines that an investment opportunity, in whole or in part, is not suitable for a Client or ORIX USA Group proprietary accounts managed by ORIX Advisers, ORIX Advisers may offer, but is not obligated to offer, the investment opportunity to another ORIX USA Group investment team to consider whether such investment opportunity is suitable for its respective clients or ORIX USA Group proprietary accounts. Accordingly, unless provided to the contrary in the Client's Governing Documents, investment opportunities should be first allocated to Clients or other accounts whose assets are managed by the responsible investment team that sourced the investment opportunity.

To the extent there is ambiguity as to which investment team sourced a particular investment opportunity, (for example, if an ORIX Advisers' employee assists with two different investment teams, which can occur), ORIX Advisers will, in its sole discretion, make a good faith determination regarding identification of the relevant investment team that sourced the investment opportunity.

As a general matter, it is expected that each OCP Client will participate primarily in investments sourced by OCP, allocated across OCP's Clients in accordance with ORIX Advisers' Allocation Policy and OCP's specific allocation policies. While the investment program of certain Clients may permit the making of investments sourced by investment teams other than OCP, such Clients have no right or entitlement to receive an allocation of any such investment opportunity from such other investment team. As a result, Clients managed by OCP will have priority over other Clients not managed by OCP with respect to investment opportunities sourced by OCP that might otherwise be appropriate for the other Clients not managed by OCP unless as noted above, a Client has a mandate that includes allocations to multiple investment team strategies. In any event, the other Clients not managed by OCP or that do not have a mandate to strategies managed by OCP will have no right or entitlement to, and such other Clients should have no expectation that any such other Client will receive an allocation of, such OCP investment opportunities. In addition, unless otherwise specified in its Governing Documents, a Client will not have exclusivity over investment opportunities sourced by OCP and such investment opportunities will in certain cases instead be allocated, in whole or in part, to other Investing Parties that are managed by OCP in accordance with ORIX Advisers' Allocation Policy and OCP's specific allocation policies.

Without limiting the foregoing, and subject to the terms of a Client's Governing Documents and other contractual commitments, the responsible investment team will make allocation decisions between or among Clients and other Investing Parties in its discretion, taking into account the respective investment programs, current portfolios and available capital commitments of each Client and such other accounts (and any other factors it may deem relevant, including some or all of the following, where applicable: Client investment guidelines and restrictions, the potential available capital of a Client, including debt available or incurred by a Client (regardless of whether such Client has given discretion to ORIX Advisers and regardless of whether a Client that has given ORIX Advisers discretion has included such amount of debt in its commitment to ORIX Advisers), ability of a Client to meet the transaction's timing, investable cash requirements, leverage requirements and/or other terms as applicable, nature of the relationship with the Client and whether the Client has given ORIX Advisers investment discretion or not, tax and regulatory considerations, demand for a particular opportunity, minimum size requirements, a Client's tolerance for volatility and risk, desired concentration, exposure and diversification targets, including with respect to strategy and portfolio, expected timing of realization of the investment, a Client's liquidity needs, domicile of the investment, the stage of its lifecycle that the Client might be in at the time of the trade, and other factors that the team determines are consistent with the fair and equitable treatment of all Clients over time).

Because ORIX USA Group and other ORIX Persons are affiliated with ORIX Advisers, ORIX Advisers has an incentive to retain more favorable investment opportunities for ORIX USA Group and other ORIX Persons and offer less attractive opportunities to unaffiliated Clients. In addition, as described above, ORIX USA Group and other ORIX Persons often have a higher demand than unaffiliated Clients and ORIX

Advisers may have an incentive to fulfill ORIX USA Group or other ORIX Persons before it fulfills unaffiliated Clients. Furthermore, other Investing Parties now, or in the future, could have investment programs and/or objectives that overlap with or otherwise compete with that of a Client and/or may otherwise adversely affect a Client. It is expected that there will be investment opportunities that are suitable for one or more Investing Party. Nevertheless, as mentioned above, ORIX Advisers will make allocation decisions between or among Clients and other Investing Parties' accounts in its discretion, consistent with its fiduciary duties and contractual commitments, subject to the terms of a Client's Governing Documents, the ORIX Advisers' Allocation Policy and any investment team's specific allocation policy and taking into account the respective investment programs, current portfolios and available capital commitments of each Client and such other Clients (and any other factors it may deem relevant, including some or all of the following, where applicable: Client investment guidelines and restrictions, tax and regulatory considerations, minimum size requirements, a Client's tolerance for volatility and risk, a Client's liquidity needs, domicile of the investment, and other factors that the team determines are consistent with the fair and equitable treatment of all Clients over time). However, given the considerations outlined herein, there can be no guarantee that a Client will be allocated any investments or that, to the extent any Client does receive investments, as to the portion of any such investment that will be made available to any Client. The application of the allocation requirements set forth in the Client's Governing Documents and the factors set forth above can result in allocation at times on a non-pro rata basis and there can be no assurance that a Client will participate in all investment opportunities that fall within its investment objectives.

ORIX Advisers could determine, for any number of reasons, that it is in the best interests of one or more of its Clients to sell all or a portion of an investment held by that Client (or group of Clients), but could separately determine that such sale is not necessarily in the best interest of other Clients or for the ORIX USA Group proprietary account. Similarly, ORIX Advisers could separately decide, for any number of reasons, that it is in the best interests of an ORIX USA Group proprietary account to sell all or a portion of an investment it holds, while ORIX Advisers might determine that such a sale is not necessarily appropriate for one or more Clients, including those holding a portion of the same investment.

#### Tag-Along Rights

In certain circumstances, including where an ORIX USA Group proprietary account has sold a portion of an investment it holds to a Client or third party that is not a Client, certain Clients or third parties that are not Clients will have contractual rights to participate in (on a pro rata basis with, and on the same terms and conditions as ORIX USA Group proprietary accounts (and any of its other Clients or third parties participating therein)) any sale, transfer, conveyance or other disposition (a "Transfer") of such an investment held in an ORIX USA Group proprietary account ("Tag-Along Rights"). The conditions for these Tag-Along Rights could be different for each Client or third party who has such rights and the conditions with respect to the Tag-Along Rights could be more favorable for certain Clients or other third parties than for others. ORIX Advisers will be responsible for trying to determine that all Tag-Along Right conditions of Clients are met whenever the ORIX USA Group proprietary account completes a Transfer of its interest in an investment. For Clients who do not have contractual Tag-Along Rights, ORIX Advisers will offer those Clients Tag-Along Rights for credit or other investment-related basis, on a pro rata basis with, and on the same terms and conditions as the ORIX USA Group proprietary account when doing so would be in the best interests of the Client (e.g., making a Transfer due to deteriorating credit conditions). Where a determination is made that doing so is in the best interests of the Client, ORIX Advisers will combine the amounts desired to be sold for both the ORIX USA Group proprietary account, Clients, Other Clients and/or third parties and jointly work to sell the full aggregate amount on the same terms and conditions. If the full aggregate amount cannot be sold, ORIX Advisers will generally allocate the amount that can be sold among the ORIX USA Group proprietary account, each Client, Other Client and each other third party on a pro rata basis. The existence of the Tag-Along Rights creates conflicts of interest, as the

party or parties holding such Tag-Along Rights will be entitled to participate in the Transfer on a pro rata basis, thus reducing the amount available for Transfer on behalf of other accounts, including the ORIX USA Group proprietary account, Clients and Other Clients, relative to the amount available absent such Tag-Along Rights.

### Secondary Transfers

In addition, to the extent that ORIX Advisers has discretion over approving a secondary transfer of interests for any Client pursuant to the relevant Governing Documents, or is asked to identify potential purchasers in a secondary transfer, ORIX Advisers will do so in its sole discretion, and is permitted to take into account a variety of factors, including but not limited to its own interests including: (i) ORIX Advisers' evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; (ii) ORIX Advisers' perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or ORIX Advisers and the expected amount of negotiations required in connection with a potential purchaser's investment; (iii) whether the potential purchaser would subject ORIX Advisers, the Clients, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; (iv) requirements in the Client's Governing Documents; (v) a purchaser's potential investment into a fund managed or advised by ORIX Advisers (including any commitment to a future Fund); and (vi) such other facts as it deems appropriate under the circumstances in exercising such discretion. Similarly, ORIX Advisers and its affiliates have the authority to, in anticipation of the end of the term of a Client, cause the sale of certain or all of the Client's assets to a third party or Investing Parties. ORIX Advisers may take into account a wide variety of different considerations in determining whether or not to cause such a sale to an Investing Party, co-investment vehicle or investor, or other third party, including its own interests, and including such factors as set forth in the list above or other factors such as ORIX Advisers or any Client's interests in continuing to hold all or a controlling portion of an investment. In addition, as ORIX Advisers and its affiliates could continue to receive compensation following such a sale, including with respect to increases in value of such investments, ORIX Advisers and its affiliates would be subject to conflict with respect to such transactions and related valuations of the sale price.

ORIX Advisers and its affiliates furnish investment management and advisory services to numerous Other Clients and accounts and ORIX Advisers and its affiliates may, consistent with applicable law, make investment recommendations to Other Clients or accounts (including proprietary accounts and accounts which are private funds or separately managed accounts which have management fees and performance fees or allocations at higher or varying rates paid to ORIX Advisers or one or more of its affiliates, or in which portfolio managers or other personnel of ORIX Advisers have a personal interest in the receipt of such fees or have personal investments), which may be the same as or different from those made for each Client and may cause conflicts of interest in the allocation of investment opportunities. In addition, conflicts of interest or legal or regulatory requirements applicable to one Client may result in ORIX Advisers and its affiliates limiting Other Clients' participation (or the Client being unable to participate) in certain attractive investment opportunities. From time to time in connection with a co-investment opportunity ORIX Advisers or its affiliates may facilitate such co-investment and ORIX Advisers or an affiliate may serve as the general partner or equivalent of a co-investment vehicle. Such vehicles are not Clients subject to the general allocation policies and procedures set forth above. Please see "Co-Investments" below for more information.

### Co-Investments

ORIX Advisers from time to time establishes certain investment vehicles, including employee vehicles, through which ORIX Persons or certain other third parties (including, potentially one or more investors invested through a Client) invest alongside one or more Clients in one or more investment opportunities



("Co-Investment Vehicles") which may have more favorable rights and/or terms than the Clients and/or other Co-Investors. Such Co-Investment Vehicles and/or co-investors investing outside of a Co-Investment Vehicle (collectively referred to as "Co-Investors" and each a "Co-Investor") generally do not pay Management Fees or Carried Interest, though ORIX Advisers and its affiliates have the discretion to receive Management Fees or Carried interest with respect to such Co-Investors and may collect customary fees in connection with actual or contemplated investments that are subject to co-investment arrangements. Any such compensation received by ORIX Advisers or its affiliates from or in respect of such Co-Investors does not offset the Management Fee or Carried Interest payable by the applicable Client.

Unless ORIX Advisers determines otherwise in its sole discretion or subject to negotiations with a particular Co-Investor, Co-Investors typically do not bear costs related to unconsummated transactions ("Dead Deal Costs"). Such costs will typically be borne by the Client selected by ORIX Advisers for such proposed transaction which will result in such Client bearing more than its pro rata share of Dead Deal Costs. In addition, Clients may also bear all of the expenses incurred in connection with the making of an investment. "Dead Deal Costs" may include, among other costs and expenses, legal, accounting advisory, consulting or other third-party expenses, any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs of onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Clients, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

Any fees and expenses incurred in connection with the organization of a Co-Investment Vehicle (including fees and expenses related to negotiating the governing documents of such Co-Investment Vehicle as well as fees and expenses described above) that is expected to invest alongside a Client in an investment are expected to be borne by such Client to the extent such Co-Investment Vehicle does not ultimately make such investment, whether or not such investment is consummated by the Client.

From time to time, certain Clients will incur certain ongoing expenses that benefit a Co-Investment Vehicle or Co-Investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Client or Clients and will not be borne by any benefiting Co-Investment Vehicle or Co-Investor.

ORIX Advisers will generally determine if the amount of an investment opportunity exceeds the amount ORIX Advisers determines would be appropriate for ORIX USA Group proprietary accounts and/or Clients (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to ORIX Advisers and/or the Clients or management teams of an applicable Portfolio Investment and other investors whose allocation is determined by ORIX Advisers to be in the best interest of the applicable Client), any such excess may be offered to one or more Co-Investors pursuant to the procedures included in such Client's Governing Documents or, to the extent not addressed in such Governing Documents, in accordance with the following paragraphs. There may be circumstances where ORIX Advisers determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Client is instead allocated to one or more Co-Investors.

In certain cases, it is expected that Co-Investment Vehicles will be formed to make investments alongside a Client. In such cases, the Co-Investment Vehicle may have a priority right to make co-investments in some or all of the investments made by such Client. In certain other cases, the allocation priority of the co-investment opportunity will depend on whether there is excess capacity or strategic reasons for choosing another third-party investor(s), some of whom may be invested through another Client. The existence of

such a priority right will reduce the allocation to a Client and significantly reduce or eliminate co-investment opportunities available to other parties, including investors in Funds and proprietary accounts affiliated with ORIX Advisers.

Subject to any allocation requirements established under a Client's Governing Documents or other specific agreements with an investor, including any Side Letter, in general, (i) no investor in a Client has a right to participate in any co-investment opportunity and investing in a Client does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of ORIX Advisers or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Clients, in the sole discretion of ORIX Advisers or its related persons, investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in the same Client, with the same, larger or smaller capital commitments to such Client, (iv) certain persons other than investors in the Clients (e.g., Other Clients, ORIX USA or its affiliates, consultants, joint venture partners, ORIX Persons, Co-Investment Vehicles, persons associated with a Portfolio Investment and other third parties, including persons whom ORIX Advisers believes will provide a benefit to a Client and/or one or more Portfolio Investments or whom ORIX Advisers believes provide a strategic sourcing or similar benefit to ORIX Advisers, a Client, and/or a Portfolio Investment and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise) including finders, senior advisors, originators and/or consultants of the Clients (and may also organize one or more entities to invest in the Clients or to co-invest alongside the Clients to facilitate personal investments by such persons or entities), will, from time to time be offered co-investment opportunities, in the sole discretion of ORIX Advisers or its related persons, and (v) Co-Investors may purchase their interests, directly or indirectly, in a Portfolio Investment at the same time as the Clients or may purchase their interests from the applicable Clients after such Clients have consummated the applicable investment (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require ORIX Advisers to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, ORIX Advisers may from time to time agree to give particular investors, Co-Investment Vehicles, Other Clients, ORIX USA or its affiliates, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect ORIX Advisers' decision to offer certain opportunities for co-investment and could limit the ability of Clients or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among ORIX USA Group proprietary account, the Clients and other potential Co-Investors, ORIX Advisers may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- ORIX Advisers' evaluation of the size and financial resources of the potential co-investment party and ORIX Advisers' perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Client(s) without harming or otherwise prejudicing such Client(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);

- Any confidentiality concerns ORIX Advisers has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and ORIX Advisers' perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by ORIX Advisers and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a Portfolio Investment or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential Portfolio Investment and whether the potential co-investment party has any existing positions in the Portfolio Investment;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to ORIX Advisers and assume a passive role in governing a Portfolio Investment);
- The ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely);
- ORIX Advisers' perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- ORIX Advisers' evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a Portfolio Investment post-closing;
- ORIX Advisers' evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Clients to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target Portfolio Investment in which a Client wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Client being able to capitalize on a potential investment opportunity);
- Whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Clients (i.e., a stapled co-investment opportunity); and



- Whether ORIX Advisers believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Clients, Other Clients and/or ORIX Advisers and its affiliates and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Clients, Other Clients and/or ORIX Advisers and its affiliates.

The factors above are not listed in order of importance or priority and ORIX Advisers is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. ORIX Advisers' exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, ORIX Advisers may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether ORIX Advisers or its affiliates are entitled, under arrangements made with certain potential co-investment parties, to additional Management Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties).

In the event ORIX Advisers determines to offer an investment opportunity to Co-Investors, there can be no assurance that ORIX Advisers will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Client or that expenses incurred by the Client with respect to the syndication of the co-investment will not be substantial, and the Clients bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Client and as a result, may take a different view from ORIX Advisers as to appropriate strategy for an investment or may be in a position to take a contrary action to a Client's investment objective. In the event that ORIX Advisers is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Client may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Client's overall investment returns. Therefore, it is possible that a Client that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

ORIX Advisers or its affiliates may establish dedicated Co-Investment Vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Client. Any such vehicle will be established at ORIX Advisers or its affiliates' sole discretion and ORIX Advisers and its affiliates have no obligation to offer a similar opportunity to any other investor.

In certain circumstances, ORIX Advisers expects to receive compensation or other benefits from a third party for a co-investment opportunity, in which case ORIX Advisers would have conflicts with respect to determinations as to when and to whom to make co-investment opportunities available. Additionally, non-binding acknowledgements of an investor's interest in co-investment opportunities are not investment allocation requirements and do not require ORIX Advisers to notify the recipients of such acknowledgements if there is a co-investment opportunity.

From time to time, ORIX Advisers may, in its discretion, enter into transactions with investors in one or more Clients, prospective investors in a Client, Co-Investors, ORIX Persons, ORIX USA or its affiliates, or other third parties to dispose of, or “sell down,” all or a portion of certain investments held by one or more Clients. In exercising its discretion to select the purchaser(s) of such investments, ORIX Advisers will comply with the requirements set forth in the Governing Documents of the applicable Client(s), or to the extent not addressed in the Governing Documents of the applicable Client(s), ORIX Advisers may consider some or all of the factors listed above with respect to allocation of co-investment opportunities. The sales price for such transactions will be mutually agreed to by ORIX Advisers and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by ORIX Advisers and ORIX Advisers is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means ORIX Advisers may not obtain the highest price or best terms for the transaction. Furthermore, subject to the Governing Documents, ORIX Advisers may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Client’s investment to the date of the transfer of interests to the applicable purchasing party. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Client(s).

### **Trade Aggregation**

In general, each Client has its own investment objectives or investment strategies (hereinafter collectively referred to as “Investment Objectives”). Notwithstanding, two or more Clients may share the same or substantially similar Investment Objectives. ORIX Advisers manages Client assets consistent with each Client’s Investment Objectives and Governing Documents, and trades initiated by ORIX Advisers on behalf of Clients are to be allocated fairly and equitably among Clients over time.

If ORIX Advisers (or its affiliates) believes that the purchase or sale of a security is in the best interest of more than one of their respective Clients, and is consistent with each Client’s Governing Documents, it could (but is not obligated to) aggregate the orders to be purchased or sold to seek favorable execution or lower brokerage commissions, to the extent permitted by applicable regulation or law. However, ORIX Advisers, or its affiliates, are not required to bunch or aggregate orders of their respective investment teams to the extent that portfolio management decisions are made separately or if ORIX Advisers, or its affiliates, as applicable, determines it would not be consistent with its investment management duties to do so. Aggregation of orders under these circumstances should, on average, generally decrease the cost of execution.

Due to prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in ORIX Advisers’ sole discretion, be averaged and participating Client accounts will be charged or credited with the average price. In such cases, each Client that participates in the aggregated transaction will share transaction costs *pro rata* based upon each Client’s participation in the transaction. Aggregation could advantage or disadvantage a Client account. Under specific circumstances, not all Clients will be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. For example, brokerage commissions may be individually negotiated by an ORIX Advisers trading desk that invests a portion of a Client account.

### **Commonly-Held Portfolio Investments**

Where two or more Clients, including Other Clients, hold the same investment, the differing investment objectives of the Clients, as well as other factors applicable to the specific situation (including the differing liquidity requirements of the Clients), may result in a determination to dispose of, or retain, all or a portion of an investment on behalf of one or more Clients at different times as such investment or portion thereof

is being disposed of, or retained, by one or more Other Clients. ORIX Advisers could also recommend different investments to Clients or Other Clients, even though the investment objectives of the Clients and Other Clients may be similar. Further, in some instances, Clients may choose to coordinate their activities (such as timing dispositions in an orderly way in order to avoid affecting the market value of a class of investment in an unduly volatile manner) with respect to commonly held investments, when it would theoretically be possible for ORIX Advisers to act unilaterally with respect to the Clients' holdings in such investment. Such coordination could have the effect of lowering returns on such an investment relative to what might have been achieved absent such coordination. However, ORIX Advisers is not obligated to engage in such coordination and in fact may elect not to do so in certain circumstance.

### **Conflicts Related to Purchases and Sales**

Investing Parties may buy or sell securities or other instruments that ORIX Advisers has recommended to Clients. In addition, Investing Parties may buy securities in transactions offered to but rejected by Clients, subject to ORIX Advisers' policies and procedures. The investment policies, fee arrangements, and other circumstances of these investments may vary between Clients and the Investing Parties. Investing Parties do, and in the future are expected to invest in and alongside Clients either through a general partner, as direct investors in a Fund, through a direct investment or otherwise, and therefore ORIX Advisers may have additional conflicting interests in connection with these investments.

A particular investment could be bought or sold for Clients in different amounts, prices and times from one (or more than one) other Investing Parties managed by a different investment teams, even though it could have been bought or sold for such other Investing Parties at the same time. Likewise, a particular investment may be bought for Clients or one or more other Investing Parties when one or more Clients or other Investing Parties are selling the investment. Conflicts also may arise when Clients make investments in conjunction with an investment being made by other Investing Parties, or in a transaction where another Investing Party has already made an investment. Investment opportunities may be appropriate for Clients and other Investing Parties at the same time, at different or overlapping levels of a Portfolio Investment's capital structure. Conflicts may arise in determining the terms of investments, particularly where these Investing Parties may invest in different types of securities in a single Portfolio Investment. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, whether or not or in what manner to exercise a voting or consent right, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Clients and Other Clients that have invested in different securities within the same Portfolio Investment.

Certain Clients of ORIX Advisers and its affiliates invest in bank debt, loans and securities of or other investments in companies in which Investing Parties hold securities, loans or other investments, including equity securities, which may include a controlling position. In the event that such investments are made by Clients, the interests of a Client may be in conflict with the interest of an Investing Party, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels, or in different levels of the debt structure of an issuer, could cause conflicts of interest. In certain circumstances, decisions made with respect to investments held by an Investing Party could adversely affect the investments of the Clients. The involvement of such persons at multiple levels of the capital structure could also inhibit strategic information exchanges among fellow creditors. In certain circumstances, Clients may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Clients or other Investing Parties may or may not provide such additional capital, and if provided each Client will supply such additional capital in such amounts, if any, as determined by ORIX Advisers. ORIX Advisers and its affiliates may seek to address these conflicts by adopting policies and procedures, which

may include limiting investments by Clients which produce such conflicts, limiting voting or roles on creditors' committees, implementing procedures designed to ensure that the team managing the investments makes independent decisions through the enforcement of information barriers and similar procedures, or other procedures in the judgment of ORIX Advisers. In addition, investments by more than one Investing Party, including a Client, in a Portfolio Investment may also raise the risk of using assets of a Client of ORIX Advisers or its affiliates to support positions taken by other Investing Parties.

### **Follow-on Investments**

An additional investment made by Clients in an existing Portfolio Investment presents a conflict of interest, including the allocation of the investment opportunities in the case of follow-on investments by Clients in a Portfolio Investment in which Clients have previously invested. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

### **Conflicts Regarding Valuation and Other Matters**

ORIX Advisers and/or its affiliates will be responsible for a variety of important matters affecting each Client. Among other matters, ORIX Advisers, with the assistance of an administrator where applicable, will determine the value of the securities and other instruments held by such Client. Such valuation can affect reported Client performance, the calculation of any Carried Interest due to ORIX Advisers as well as the calculation of the related Management Fee.

### **Restrictions Arising under the Securities Laws**

The activities of ORIX Advisers and its affiliates (including, without limitation, the holding of securities positions or having one of its personnel on the board of directors of a company or having board observer rights) could result in securities law restrictions on transactions in securities held by a Client, affect the prices of the investments or the ability of the Client to purchase, retain or dispose of such investments, or otherwise create conflicts of interest for the Client, any of which could have an adverse impact on the performance of the Client.

### **Cross Trades and Principal Trades**

*ORIX Advisers may cause its Clients to make investments in affiliated or associated entities*

ORIX Advisers and its affiliates may act in multiple capacities (for example, act as principal or agent as described below in addition to acting as adviser on behalf of a Client or other Investing Parties), and may effect transactions with or for an account in instances in which ORIX Advisers and its affiliates and/or their personnel may have multiple interests. ORIX Advisers might invest for Clients, or recommend that Clients invest, in an affiliated fund. Investments in an affiliated fund may be of any class or category of shares with the understanding that fees associated with such class or category need not be the lowest fees offered.

ORIX Advisers may be compensated for causing its Clients to make investments in affiliated or associated entities. In addition, ORIX Advisers has no obligation to determine whether investments in other affiliated funds or a comparable, non-affiliated collective investment fund or vehicle, would be subject to lower fees and expenses. In connection with such investments, unless provided otherwise in the Client's advisory agreement, the Client will pay all fees pertaining to the affiliated fund and no portion of the affiliated fund's advisory, administrative or other fees will be offset against fees payable in accordance with the advisory agreement. Accordingly, unless provided otherwise in the Client's advisory agreement, the Client will pay two separate fees and ORIX Advisers will have an incentive to cause the Client to make investments in the other affiliated funds so the affiliate can earn additional fees. The Client may prospectively revoke its

consent to invest in affiliated funds at any time by written notice to ORIX Advisers. Additionally, the interests of the Client, as an investor, may conflict with the interests of the underlying affiliated fund or ORIX Advisers or its related persons in their capacity as service providers to the underlying affiliated fund, which would create a conflict of interest for ORIX Advisers.

*ORIX Advisers may cause its Clients to engage in cross trades*

ORIX Advisers, from time to time, may cause a Client to buy or sell the same security from or to another Client when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the Clients involved. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, and ORIX Advisers could have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, ORIX Advisers, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). ORIX Advisers and its affiliates generally receives management or other fees in connection with their management of the relevant Clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Clients.

Depending on the transaction structure, these transactions may disproportionately benefit the purchasing or selling Client (or ORIX Advisers as a result of its or its affiliates' interests in a particular Client), and one Client may incur expenses or forego gains that would have been obtained had it not entered into the transaction. For example, ORIX Advisers may be incentivized to support a less successful Portfolio Investment of an older Client by causing a newer Client with a longer remaining term and investment period to purchase a part or all of such Portfolio Investment in order to provide ORIX Advisers additional time to potentially manage it to a successful exit and increase the likelihood of ORIX Advisers or an affiliate receiving Carried Interest. Conversely, ORIX Advisers may be incentivized to sell an attractive investment in an older Client to a newer Client to increase the amount of fees received by ORIX Advisers or an affiliate with respect to such an investment. Determining the valuation or other terms of such transactions may also create a conflict of interest due to ORIX Advisers' consideration of the specific terms (including the fee terms) of the Clients and ORIX Advisers' interest in such Clients. Such acquisition may result in the acquiring entity purchasing a Client's Portfolio Investment at a valuation that is: (a) not the highest price that could have been obtained in the market had there been a robust sales process with multiple third-party bidders or (b) higher than the value of the company resulting in an overvaluation.

Any costs and expenses associated with any such transaction will be borne by such Clients in accordance with such Clients' Governing Documents. To the extent not addressed in the applicable Governing Documents, ORIX Advisers will allocate such costs and expenses in good faith and in a manner that is fair and reasonable.

*ORIX Advisers expects that it will, from time to time, engages in principal trades*

In the event that ORIX Advisers or its affiliates are required to sell any remaining assets in a Client following the expiration of such Client's term, ORIX Advisers and/or its affiliates, including ORIX USA Group (as applicable under the terms of the Client's Governing Documents) will be permitted to bid on such assets on normal commercial terms and on an arm's-length basis; provided, however, that if ORIX Advisers or one of more of its affiliates, including ORIX USA Group, purchases the relevant asset, it will do so at a price at least equal to the market value of the relevant asset (or with respect to assets where a market value is not readily available, at the fair value of the asset, as determined in good faith by ORIX Advisers). Any such transactions would be subject to approval by the Client pursuant to the relevant Governing Documents and applicable law.



Please refer to Item 11 for additional disclosures related to principal trades.

To the extent not addressed in a Client's Governing Documents, ORIX Advisers will address conflicts of interest that arise in connection with continuation transactions as set forth below under "Conflicts Resolution Process."

### Continuation Transactions

From time to time ORIX Advisers may determine that it is in the best interest of a Client holding an investment (the "selling Client") to transact with another Client (the "purchasing Client") in order to provide the selling Client's investors with an option to either: (1) receive cash proceeds from the selling Client's sale or transfer of such Portfolio investment and/or (2) "roll" (i.e., retain) their interest in such Portfolio Investment. These types of transactions are often referred to as "continuation transactions". In connection with such continuation transactions, ORIX Advisers may require the investors in the purchasing Client to make an additional investment in a Client or commit to invest in a future Client. In addition to those conflicts of interest described above under "Cross Trades and Principal Trades", conflicts of interest arise in these continuation transactions because (i) ORIX Advisers and its affiliates are charging investors in the purchasing Client a Management Fee and Carried Interest (which economics are likely to be different than the selling Client) and the transactions have the potential to result in the receipt of additional Management Fees and Carried Interest by ORIX Advisers and its affiliates; (ii) ORIX Advisers and ORIX Persons are expected to have the ability to make material investments in the purchasing Client, which may cause them to take actions that benefits the purchasing Client; (iii) ORIX Advisers is actively involved in negotiating the terms of the sale on behalf of the selling Client, on the one hand, and the purchasing Client, on the other hand (including allocation of expenses incurred in the transaction); and/or (iv) of the requirement for an investor in the purchasing Client to make an investment in a Client or a commitment to invest in a future Client, which (a) incentivizes ORIX Advisers to favor such investors because of the potential for ORIX Advisers and its affiliates to earn additional Management Fees with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Client. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and ORIX Advisers might determine to allocate bankers' fees and certain other fees and expenses solely to selling investors and not to the "rolling investors" or "new investors" in the purchasing Client or vice versa.

To the extent not addressed in a Client's Governing Documents, ORIX Advisers will address conflicts of interest that arise in connection with continuation transactions as set forth below under "Conflicts Resolution Process."

### Capital Structure Conflict

Investing Parties will acquire securities, assets or other investments of an issuer that are senior or junior to the securities, assets or other investments of the same issuer that are held by, or are acquired for, other Investing Parties (e.g., a Client could acquire senior debt while another Investing Party could acquire subordinated debt or preferred equity). In such cases, Investing Parties may have different rights, preferences and privileges than those afforded to other Investing Parties. These capital structure conflicts are exacerbated in circumstances involving issuers in financial distress. If an issuer enters bankruptcy, Investing Parties invested in different parts of the issuer's capital structure will have conflicting interests related to the satisfaction of the issuer's obligations or indebtedness—including, as an example, Investing Parties in the more junior portion of the capital structure will be more interested in the issuer taking greater risk if their securities are already essentially worthless. Investing Parties in the more senior portion of the capital structure will prefer the issuer take fewer risks and convert its remaining assets to cash to preserve whatever value may be remaining in the more senior securities of the issuer's capital structure.

ORIX Advisers may be incentivized to make decisions for the benefit of one Investing Party to the detriment of another, including a Client (e.g., due to the prospect of earning more Carried Interest, Management Fees or other fees or if dissatisfaction would cause one of the Investing Parties to redeem capital or discontinue its relationship with ORIX Advisers).

In such circumstances, ORIX Advisers faces certain conflicts in making decisions with respect to such investments given their different rights and economic interests in the Portfolio Investment that may have an adverse effect on one or more of the Investing Parties. Generally speaking, ORIX Advisers expects that a Client will make such investments when, at the time of its investment, ORIX Advisers believes that (a) such investment presents an attractive investment opportunity for the Client and (b)(i) the possibility of actual adversity between the Client and other Investing Party is remote or (ii) in light of the particular circumstances, ORIX Advisers believes that such investment is appropriate for the eligible Client, notwithstanding the potential for conflict. In addressing certain of the potential conflicts of interest described herein, ORIX Advisers and/or its affiliates could, but will not be obligated to, take one or more actions on behalf of a Client, including any one or more of the following: (i) causing a Client or other Investing Party to remain passive in a situation in which it is otherwise entitled to vote, which could mean that such Client defers to the decision or judgment of an independent, third-party investor in the same class of equity or debt securities or other financial instruments held by such third-party investor; (ii) referring the matter to one or more persons that is not affiliated with ORIX Advisers to review or approve of an intended course of action with respect to such matter; (iii) consulting with the Client on such matter or otherwise requesting that the Client (or investors or an advisory board) approve such matter; (iv) establishing information barriers to separate ORIX Advisers' investment professionals or assigning different teams of ORIX Advisers' investment professionals, in each case, who may be supported by separate legal counsel (internal or external) or other advisers, to act independently of each other in representing different Investing Parties or Investing Parties that hold different classes, series or tranches of an issuer's capital structure; (v) as between two Investing Parties, ensuring (or seeking to ensure) that the underlying investors therein own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interest; or (vi) causing a Client to divest itself of a security or financial instrument or particular class, series or tranche of an issuer's capital structure it could otherwise have held onto, including causing a Client to sell such interest to one or more other Investing Parties (or vice versa), limited partners or investors in such other Client. There can be no assurance that any of these measures will be feasible or effective, and it is possible that the outcome for the Client will be less favorable than if ORIX Advisers did not have duties to Other Clients or relationships with other Investing Parties, as applicable. The determination to take any of the actions described above will vary based on the particular facts and circumstances surrounding each investment by two or more Clients and/or Investing Parties) in different classes, series or tranches of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure), and as such, investors should expect some degree of variation, and potential inconsistency, in the manner in which potential or actual conflicts are addressed. ORIX Advisers intends to resolve such situations in an impartial manner, but there can be no assurance that their own interests will not influence their conduct.

In addition, Clients invest in different instruments or classes of securities of the same issuer where certain other Investing Parties own the majority of, or otherwise control, one or more different instruments or classes of securities. As a result, one or more Clients and/or other Investing Parties may have different investment objectives or pursue or enforce rights with respect to a particular issuer in which another Investing Party has invested, and those activities could have an adverse effect on a Client. For example, where an issuer experiences financial or operational difficulties, if a Client holds subordinated and unsecured debt, and another Investing Party holds senior secured debt instruments of the same issuer, the latter Investing Party may enforce or help other senior secured creditors enforce their rights against the issuer and as a result, the former Client's investment may be reduced substantially or to zero. If a Client holds voting instruments with respect to any debt or equity of an issuer and another Investing Party does

not hold such power, ORIX Advisers or its affiliate, acting on behalf of the former Client, may vote on certain matters in a manner that has an adverse effect on the positions held by the latter Investing Party (e.g., regarding whether the Client agrees to waive certain covenants or make certain amendments). Conversely, if a Client holds voting instruments of an issuer, ORIX Advisers or its affiliate's vote on behalf of such Client on certain matters may end up benefiting the other Investing Parties and harming the Client with voting instruments, especially with the benefit of hindsight (e.g., if the Client agrees to certain covenants, waivers or amendments, but the issuer and the Client's investment in such issuer ends up getting further impaired). The conflicts of interest associated with investing in multiple layers of an issuer's capital structure become more acute when the issuer experiences financial or operational challenges and/or if debt tranches owned by one or more Investing Parties become equitized such that certain Investing Parties become borrowers of the other Investing Parties.

To the extent a Client holds securities that are different (including with respect to relative seniority) than those held by another Investing Party in the same issuer, ORIX Advisers may have conflicting loyalties between its duties to such Investing Parties, as well as with respect to the interests of such Investing Parties. There can be no assurance that the terms of or return on a Client's investment in an issuer will be equivalent to or better than the terms of or returns obtained by the other Investing Parties participating in such investment. Similarly, the ability of ORIX Advisers to implement the Client's strategies effectively may be limited to the extent that contractual obligations entered into in respect of activities of ORIX Advisers and/or other Investing Parties impose restrictions on such Client engaging in transactions that ORIX Advisers may be interested in otherwise pursuing.

Clients may be negatively impacted by the activities by or on behalf of other Investing Parties of another investment strategy, and transactions for the Clients that employ one investment strategy may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case had a particular course of action not been pursued by or on behalf of other Investing Parties that employ a different investment strategy. In certain instances, personnel of ORIX Advisers or an affiliate (including in the capacity as a director of a Portfolio Investment) can be expected to obtain information about an issuer thereby limiting ORIX Advisers' ability to buy or sell securities of the issuer on behalf of other Investing Parties. These conflicts are magnified with respect to issuers that undergo restructuring or become insolvent. It is possible that in connection with a restructuring, insolvency, bankruptcy, or similar proceeding, the Clients may be limited (by applicable law, courts or otherwise) in the positions or actions they may be permitted to take due to other interests held or actions or positions taken by other Investing Parties of a different investment strategy.

When Clients invest alongside one or more Investing Parties, they generally dispose of their interests in an investment in the same proportion as, and on the same terms as, the Investing Parties dispose of their interests in such investment, subject to legal, tax, regulatory or other considerations, as determined by the relevant general partners or investment managers in their sole discretion. However, there can be no assurance that the interests in an investment held by Clients will be harvested on as favorable terms as the interests in such investment held by the Investing Parties. Further, the disposal by another Investing Party may depress the market value of the continuing investment of certain Clients or may reduce the price available to Clients, which may also be disposing of their investment. For example, because ORIX Advisers or its affiliate may have an incentive to show realized returns in connection with other fundraising activities or because one Investing Party's term may expire before the end of another Investing Party's term, such parties may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Investing Party may realize different returns as compared to the same investment held by such other Investing Party. The variations in timing may be detrimental to a Client. At the same time, if ORIX Advisers determines it is advisable for a Client to exit an investment at the same time as another Investing Party, the Client may dispose of its interest earlier or later than it ordinarily would have and may, as a result, experience lower

returns than it otherwise may have earned on such investments. In addition, investors may receive different consideration (such as one Client receives cash whereas another Client receives a distribution in-kind) which may impact the realized return ultimately received by each Client.

Finally, in certain circumstances, if more than one Client is participating in an investment, one Client may bear more than its pro rata share of expenses relating to such investment if the other Client or Clients does not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses).

In such circumstances, ORIX Advisers could take steps to reduce the potential conflicts of interest between the various Clients, including causing a Client to take certain actions that, in the absence of such conflict, it would not take (e.g., a Client may divest itself of an asset it otherwise may have retained, ORIX Advisers may establish information barriers, certain matters may be referred to an advisory committee or a third-party, or a Client may only invest in securities that seeks to align the interests with other investing Clients). Any such steps could have the effect of benefiting one Client or ORIX Advisers at the expense of another Client.

In addition, the terms of the Clients' investment, including the type of security purchased, may be different from the terms of another Investing Party's investment or the type of security the Client purchases. Conflicts could arise after a Client, on the one hand, and other Investing Parties, on the other hand, make investments in the same issuer with respect to the issuer's strategy, growth and financing alternatives and with respect to the manner and timing of the one Investing Party's exit from the investment compared to the other Investing Party's exit.

#### **Limited Partner Advisory Committee**

A Client may establish a Limited Partner Advisory Committee ("LPAC"), the members of which will be selected by ORIX Advisers or its affiliates or by other investors and will consist of representatives of limited partners that are unaffiliated with ORIX Advisers. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the LPAC because those designating limited partners will, for instance, have greater information rights. The LPAC may also have the ability to approve conflicts of interests with respect to ORIX Advisers and the applicable Client, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the LPAC may have various business and other relationships with ORIX Advisers, adviser personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Client's LPAC may also be a member of another Client's LPAC. In such instances, a conflict of interest exists because Clients on which such overlapping LPAC members may have conflicting interests and such LPAC members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

#### **Side Letter Agreements**

As described in Item 6, a Client and/or ORIX Advisers entered into Side Letter arrangements with one or more investors in the Funds providing such investors with different or preferential rights or terms. Except as otherwise agreed with an investor, ORIX Advisers is not required to disclose the terms of Side Letter arrangements with other investors in the Funds. Investors will have no recourse against a Fund, its general partner, ORIX Advisers or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such Side Letters, some of which rights may impact the rights and/or increase the obligations of other investors. Side Letter arrangements with certain investors impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet

certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

### **Affiliated Financing Arrangements**

ORIX USA Group currently act, and may in the future act, as lender, or otherwise provide financing, to the Client and/or certain Portfolio Investments (each, an “Affiliated Financing”). In cases where ORIX USA Group participates as a lender in borrowings by the Client or any Portfolio Investment, ORIX USA Group’s interests may conflict with the interests of the Client or such Portfolio Investment. In its capacity as a lender, ORIX USA Group will act in its own interest, without regard for the interests of the Client or the limited partners. In certain circumstances such as an event of default, ORIX USA Group may cause the liquidation of securities held by the Client or foreclose and liquidate such securities or assets of the applicable Portfolio Investment in ORIX USA Group’s own name. Such actions may adversely affect the Client and the returns of the limited partners. If ORIX USA Group is a party to a transaction or an agreement with the Client or a Portfolio Investment to provide financing to the Client or such Portfolio Investment, and the Client is required to take an action to implement such agreement, enforce any provisions thereof or any rights of the Client thereunder, give required notices or give or make any approval, consent, decision or waiver under such agreement, or otherwise make a determination in respect of such financing arrangement without limiting any of the terms or conditions under the Governing Documents or applicable law, the General Partner or ORIX Advisers may, if it determines it to be necessary, take such actions as set forth in the Governing Documents of the Client to approve any such action or inaction to be taken by the Client.

For the Fund, the General Partner shall consult with an investment bank, appraisal firm or other expert experienced in such matters selected by the General Partner to present an alternative proposed resolution to the limited partners if the majority of the limited partners (excluding ORIX LP) objects to the original proposed resolution. An approval obtained by a majority of such limited partners will be deemed to constitute the consent of the Fund and all limited partners, and none of the General Partner, ORIX Advisers or any applicable affiliate of either will, absent fraud, gross negligence or willful misconduct, be liable to the Fund or any limited partner for any actions taken in accordance with any such approval.

### **Operating Advisors and Advisory Board Members**

As described in Item 5 – Fees and Expenses, the Client may engage the services of certain Operating Advisors, Advisory Board members or other advisers with relevant experience and expertise to work actively with ORIX Advisers and the fees, costs and expenses associated with the engagement, retainer or employment of such Operating Advisor or Advisory Board member or other advisers (other than salary, bonus or similar compensation of any individuals who are Advisory Board members) will generally not be borne by the General Partner, ORIX Advisers or any of their respective affiliates. ORIX Advisers and the General Partner will have an incentive to engage a consultant as an Operating Advisor or Advisory Board member, rather than as an employee or partner of ORIX Advisers or the General Partner.

### **Conflicts with Portfolio Investments and Investors**

Officers, employees, consultants and advisors of ORIX Advisers and its affiliates currently serve as directors, managers, consultants and advisors of certain Portfolio Investments in which the Client invests, and such persons may serve in such capacities in the future with respect to Portfolio Investments of the Client and/or other Clients. Such persons will be required to make decisions that they consider to be in the best interests of the applicable Portfolio Investment. In certain circumstances, for example, in situations involving bankruptcy or near insolvency of the Portfolio Investment, actions that may be in the best interest of the Portfolio Investment may not be in the best interests of the Client, and vice versa.



Directors, managers, consultants, Operating Advisors of certain Portfolio Investments and Advisory Board members (that are not affiliates, employees or officers of the General Partner or ORIX Advisers, but who may provide services to the General Partner, ORIX Advisers and/or Portfolio Investments) may be entitled to receive certain compensation from such Portfolio Investments (in addition to any compensation received by such individuals from ORIX Advisers), including through profits interests or other equity incentive, upfront transaction fees and ongoing service fees. Such profits interests or other equity incentive are currently, and may in the future be, issued from the profits interest pool (or other equity incentive pool) that is created with respect to each Portfolio Investment for the officers, directors and key employees of, and other service providers to, such Portfolio Investment. Compensation paid by Portfolio Investments to consultants, Operating Advisors, Advisory Board members and other similar professionals that are not employees of the General Partner, ORIX Advisers and ORIX USA or its respective affiliates will not reduce the Management Fee or the General Partner's Carried Interest. In addition, directors, managers, consultants, Operating Advisors of certain Portfolio Investments as well as the General Partner, ORIX Advisers and their officers, employees, consultants, directors, managers, Operating Advisors and Advisory Board members may be entitled to receive reimbursement of out-of-pocket costs and expenses incurred in connection with the performance of services to Portfolio Investments, subject, if applicable, to the Management Fee offset provisions of the Client's Governing Documents. Such expenses may include travel and entertainment costs, as well as the fees, costs and expenses of external professionals or for outside consultants engaged by such persons to assist them with regard to their functions for the applicable Portfolio Investment. Moreover, the expenses otherwise payable by the Client may be borne by one or more Portfolio Investments.

In the situations described above, there may be conflicts of interests between such individual's duties as a consultant, Operating Advisor or Advisory Board member of ORIX Advisers or its affiliates and such individual's duties as a director, manager, consultant or advisor of the Portfolio Investment, including as a result of such individual's financial interest in such Portfolio Investment. In addition, because compensation to ORIX Advisers' Operating Advisors, Advisory Board member, consultants and similar professionals (that are not affiliates, employees or officers of the General Partner or ORIX Advisers) by Portfolio Investments does not reduce the Management Fee, ORIX Advisers is incentivized to cause such persons to be compensated by Portfolio Investments rather than by ORIX Advisers. These types of conflicts are an inherent risk associated with the active management of certain types of assets and cannot be mitigated in all cases. Any advisor or consultant of a Portfolio Investment or ORIX Advisers may in the future become an employee of ORIX Advisers and be compensated directly by ORIX Advisers (in which event, such compensation would not be borne by the Client).

In addition, certain employees of the General Partner, ORIX Advisers and/or ORIX USA Group have in the past, and may in the future, be seconded to a Portfolio Investment or may otherwise devote all or a substantial portion of their business time to the business of a Portfolio Investment, including potentially by serving in an executive-level position for a Portfolio Investment. Such employees may continue to receive a salary or other compensation from the General Partner, ORIX Advisers and/or ORIX USA Group during the period of such secondment or other activities, and/or may receive a salary or be otherwise compensated by the applicable Portfolio Investment, which will be subject to the Management Fee offset provisions of the Governing Documents. Moreover, in addition to reporting to the applicable Portfolio Investment, such employees may continue to report to employees of the General Partner, ORIX Advisers and/or ORIX USA Group, notwithstanding that such employees are devoting all or a substantial portion of their business time to the business of the Portfolio Investment.

A Client's Portfolio Investment may from time to time provide services to a different Client, or to ORIX USA Group. In addition, ORIX Advisers or its affiliates may from time to time utilize the services of a Client or one or more limited partners and their affiliates who have invested into a Client. Any such arrangements are generally expected to be entered into on an arm's length basis on such terms as the parties

to the arrangement deem appropriate in their sole discretion. Notwithstanding the foregoing, such arrangements may not have been entered into but for the affiliation or relationship with ORIX Advisers. Such arrangements and/or transactions will be subject to Client consent, to the extent required under the Client's Governing Documents or applicable law. Such arrangements and/or transactions and the fees or compensation involved have the potential for inherent conflicts of interest. In particular, such arrangements may benefit one Portfolio Investment at the expense of another Portfolio Investment that is owned by a different Client, in which case limited partners may be affected differently by such arrangements.

In addition, certain acquisitions or other business opportunities may be suitable for more than one Portfolio Investment. To the extent a Client controls such Portfolio Investment, ORIX Advisers will determine, in its sole discretion, which Portfolio Investment pursues such acquisition or other business opportunity. Such determinations may have the effect of benefitting certain limited partners and disadvantaging others.

### **Other Conflicts**

ORIX Advisers could, in its discretion, have, and could, in its discretion, cause Clients to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of ORIX Advisers or ORIX Advisers' affiliates. Clients bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between ORIX Advisers and Clients in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that ORIX Advisers may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

If a Client purchases in the secondary market at a discount debt securities of a company in which another Client has, for example, a substantial equity interest, (i) a court might require the Client or another Client to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities; or (ii) the Client or other Client might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

ORIX Advisers, its affiliates and Clients will often engage common legal counsel and other advisers in a particular transaction, including transactions in which there may be conflicts of interest. Members of the law firms engaged to represent the Clients may be investors in the Funds or an Other Client and may also represent one or more Portfolio Investments or investors in the Funds or an Other Client. In the event of a significant dispute or divergence of interest between Clients and ORIX Advisers and/or its affiliates, the parties may engage separate counsel in the sole discretion of ORIX Advisers and its affiliates. Moreover, in litigation and certain other circumstances, separate representation may be required. Additionally, ORIX Advisers, its affiliates, and the Clients and the Portfolio Investments may engage other common service providers. In such circumstances, there may be a conflict of interest between ORIX Advisers, on the one hand, and Clients and Portfolio Investments, on the other hand, in determining whether to engage such service providers, including the possibility that ORIX Advisers may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by Clients and/or the Portfolio Investments.

### **Conflicts Resolution Process**

In the case of all known conflicts of interest and as a general matter, ORIX Advisers' determination as to which factors are relevant, and the resolution of such conflicts, will be made using its best judgment, in its sole discretion. In resolving conflicts, ORIX Advisers considers various factors, including the interests of the applicable Client with respect to the immediate issue and/or with respect to their longer-term courses

of dealing. When conflicts arise, the following factors generally will help to mitigate, but will not eliminate, conflicts of interest: (i) ORIX Advisers will consider the appropriateness of an investment from the viewpoint of a Client; (ii) set procedures, restrictions or other provisions contained in the Governing Documents of each Client; (iii) where ORIX Advisers deems appropriate, ORIX Advisers can engage unaffiliated third parties to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; (iv) prior to subscribing for interests in a Fund or signing an investment management agreement or asset management agreement, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund or separately managed account; or (v) where an LPAC is formed, approval to be sought from the LPAC. While ORIX Advisers endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that ORIX Advisers will identify or resolve all conflicts in a manner that is favorable to the Clients and the Clients' investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise.

### **Other Affiliates**

ORIX Advisers has a supplementary list of related persons who are not listed in Section 7A of Schedule D of Form ADV Part 1A since such affiliated companies are deemed to be "operationally independent" in accordance with applicable federal securities laws and ORIX Advisers has no reason to believe that its relationship with such related persons creates a material conflict of interest for Clients.

ORIX Advisers and its supervised persons will have relationships or arrangements with other affiliated (or other associated) financial services companies that may pose material conflicts of interest.

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

---

### **Code of Ethics**

ORIX Advisers operates under a Code of Ethics adopted in accordance with Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), which establishes guidelines for professional conduct and personal trading procedures, including pre-clearance and reporting obligations for its supervised persons that are adopted and implemented in accordance with Rule 206(4)-7 of the Advisers Act. ORIX Advisers' Chief Compliance Officer administers the Code of Ethics, which is contained in the ORIX Advisers' compliance manual.

Under certain circumstances, ORIX Advisers may recommend to Clients, or buy or sell for Clients, securities at the same time ORIX Advisers or Investing Parties buy or sell the same securities. In addition, ORIX Advisers as well as Investing Parties may co-invest with Clients and may invest directly in Funds that ORIX Advisers or its affiliates manage. Additionally, certain employees, Operating Advisors and Advisory Board members may be entitled to a portion of the Carried Interest paid by a Client to ORIX Advisers and/or its affiliates. Any of the foregoing could potentially create a conflict of interest between ORIX Advisers and its Clients. These situations and other conflicts of interest that may arise in the management of its Clients are addressed in ORIX Advisers' Code of Ethics and compliance manual.

ORIX Advisers will provide a copy of its Code of Ethics to any prospective Client or investor upon request.

### **Participation or Interest in Client Transactions**

#### **Conflicts as to ORIX USA**

As described in Item 10, ORIX USA has a substantial investment in OCP Fund I. Therefore, ORIX USA may be considered to be participating indirectly in transactions effected for OCP Fund I. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are described in the Governing Documents. Please see Item 10—Other Financial Industry Activities & Affiliations for discussion of investment-related potential conflicts.

Under certain circumstances, ORIX Advisers may recommend to Clients or buy or sell for Clients, securities in which ORIX USA Group has a material financial interest, including in OCP Fund I. Because of the relationship of ORIX USA Group and its personnel with ORIX Advisers, conflicts of interest exist (or may in the future exist) in connection with ORIX Advisers' allocation of investment opportunities as between ORIX USA Group and other Clients. ORIX Advisers has adopted investment allocation policies and procedures designed to mitigate this conflict.

#### Conflicts Related to ORIX Persons

ORIX Persons and other related persons of ORIX Advisers and its affiliates have made and may make capital investments in or alongside certain Clients. These investments can be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

In addition, Clients can invest in securities of companies in which ORIX Persons and other related persons of ORIX Advisers and its affiliates have previously invested for their own accounts. Furthermore, ORIX Persons and other related persons of ORIX Advisers and its affiliates can invest for their own accounts in securities of companies in which the Clients have previously invested. Such persons may have differing interests from the Clients with respect to such investments (for example, with respect to the information, availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client or ORIX Person or other related persons of ORIX Advisers and its affiliates participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

ORIX Advisers, ORIX Persons, and their affiliates will buy or sell securities or other instruments that ORIX Advisers has recommended to Clients. ORIX Persons will also buy securities in transactions offered to but rejected by Clients. A conflict of interest may arise because such investing ORIX Persons will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by ORIX Advisers on behalf of the Client. In such circumstances, the investing ORIX Persons will not share or reimburse the relevant Client(s) and/or ORIX Advisers for any expenses incurred in connection with the investment opportunity.

ORIX Persons currently have, and in the future may have, family members that are actively involved in industries and sectors in which the Clients invest or have business, personal, financial or other relationships with companies in such industries and sectors, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of Clients or other counterparties of the Clients. Moreover, in certain instances, the Clients may purchase or sell assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by such service providers may or may not be at the same rate charged by other third party service providers and ORIX Advisers is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees).

ORIX Advisers and ORIX Persons have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel

or hotel stays incurred as Client expenses may result in “miles” or “points” or credit in loyalty/status programs to ORIX Advisers and/or ORIX Persons, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit ORIX Advisers and/or such personnel even though the cost of the underlying service is being borne by the Client. Any such benefits, rewards and/or amounts will not offset any management fee payable by the Client or otherwise shared with such Client.

#### Possible Future Activities

ORIX Advisers expects to expand the range of services that it provides over time. ORIX Advisers and its affiliates will not be restricted in the scope of their business or in the performance of their services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest. ORIX Advisers has, and will continue to develop, relationships with a significant number of companies, financial sponsors and Clients.

#### Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, and the clients thereof. In general, if an investment adviser or an affiliate proposes to purchase a security from, or sell a security to, a client (commonly referred to as a “principal transaction”), the investment adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. ORIX Advisers enters and may in the future enter into related party or principal transactions (i.e., transactions between a Client and ORIX Advisers or its affiliate acting for its own account) to the extent permitted by applicable law. ORIX Advisers has established policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including requiring ORIX Advisers to make those disclosures required by Section 206 of the Advisers Act to the applicable Client(s) regarding any proposed principal transactions and that any required prior Client consent to the transaction be received. See “Cross Trades and Principal Trades” in Item 10 for additional information.

#### Service Providers

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) to Clients or the companies in which Clients invest may also provide goods or services to, or have business, personal, financial or other relationships with, ORIX Advisers or its affiliates. Such advisors and service providers may be investors in a Client, affiliates of ORIX Advisers, sources of investment opportunities or co-investors or commercial counterparties. Additionally, certain employees of ORIX Advisers may have family members or relatives employed by such advisors and service providers. These relationships may influence ORIX Advisers in deciding whether to select or recommend such a service provider to perform services for Clients. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to ORIX Advisers, its affiliates or Portfolio Investments as compared to services provided to Clients, which could result in more favorable rates or arrangements than those payable by Clients. Neither the Clients nor their investors will receive the benefit of any such favorable rate or any discount provided to ORIX Advisers, its personnel or its affiliates, and the Management Fee paid by any Client will not be reduced in connection with such favorable rate or discount.

ORIX Advisers has in the past contracted and may in the future contract directly with or recommend to Clients that it contract for services with, a related person of ORIX Advisers or an affiliate (including but not limited to a Portfolio Investment of another Client). When making such a recommendation, because ORIX Advisers has a financial or other business interest, it has an incentive to recommend such person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.



Additionally, ORIX Persons, and/or their family members or relatives could have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence ORIX Advisers' decision when selecting or recommending service providers to perform services for a Client. ORIX Advisers may favor particular service providers because of these financial or business interests, or for other reasons, even if a better price and/or quality of service could be obtained from another person.

Services required by a Client (including some services historically provided by ORIX Advisers or its affiliates to ORIX Advisers' Clients) can, for reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of ORIX Advisers or its affiliates. This can create a conflict of interest because ORIX Advisers and its affiliates have an incentive to outsource such services at the expense of the Clients to leverage the use of ORIX Persons. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custody, marketing and marketing-reviews, accounting, servicing, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing also may not occur universally for all Clients and accordingly, certain costs may be incurred by a Client for a third-party service provider that is not incurred for comparable services by other Clients. The decision by ORIX Advisers to initially perform a service for a Client in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and ORIX Advisers has no obligation to inform such Clients or investors of such a change. Such services may also supplement or be performed alongside services performed by ORIX Advisers. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Clients.

ORIX Advisers may cause a Client to bear the full cost and expense of engaging certain third-party service providers on behalf of a Portfolio Investment. In the event a Client is not the sole shareholder of the Portfolio Investment, other shareholders will benefit from the costs incurred by such Client and will not reimburse the Client for their pro rata portion of the cost of any such service provider.

---

## **Item 12. Brokerage Practices**

---

OCP focuses on investing in securities of private companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer may not be retained. OCP does not expect to engage in active trading of publicly traded securities. To the extent it does, it will follow the brokerage practices described below.

ORIX Advisers' policy is to seek the best execution of orders on an overall basis, which means that it seeks to ensure that the Client's total cost or proceeds are the most favorable under the circumstances. ORIX Advisers will not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of its Clients but will weigh a combination of factors. For example, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including but not limited to, broker's reliability, reputation and experience in the industry, financial stability and capital adequacy, and execution capability (e.g., speed of execution, history of securing best price and competitive transaction charges, operational efficiency including the ability to complete the transaction satisfactorily through to clearance, confirmation and delivery, responsiveness and availability of qualified, professional and diligent personnel).

ORIX Advisers may also take into consideration research (such as investment ideas, quantitative analysis, historical data, analytical, statistical, and other information) and services provided by the broker (such as research information and periodic electronic reports).

While ORIX Advisers is not obligated to seek the best commission rate for each Client transaction, or to select a broker solely based on a commission rate, it will seek competitive rates and minimize transaction costs consistent with its Clients' interests.

Any brokerage commissions and other compensation to third parties, generated by securities transactions in a Client's account will be paid by such Client, and not by ORIX Advisers or any of its affiliates.

For many Client transactions involving debt obligations, the markets in which ORIX Advisers trades are dealer-to-dealer over-the-counter markets in which there are no brokerage commissions, although mark-ups, mark-downs and clearing, structuring and other transaction costs are applicable. ORIX Advisers buys and sells securities on behalf of Clients at the prevailing bid-ask spreads. ORIX Advisers believes that each Client has access, through direct contact with primary dealers and financial institutions, to fully competitive prices.

#### Soft Dollars

ORIX Advisers does not intend to enter into any "soft dollar" arrangements with brokers.

#### Directed Brokerage

ORIX Advisers does not intend to enter into any directed brokerage agreements with brokers.

#### Trade Errors

ORIX Advisers' policy with respect to trading generally is that employees must take due care in making and implementing investment decisions on behalf of Clients. However, in the event a trade error occurs, employees are required to (i) correct the error as soon after discovery as reasonably practicable, including taking commercially reasonable steps to attempt to correct and mitigate any losses related to a trade error and (ii) report any such errors to compliance for review and to document appropriately.

#### Trade Aggregation

In general, each Client has its own investment objectives and strategies and ORIX Advisers manages Client assets consistent with each Client's investment objectives and Governing Documents. If ORIX Advisers believe that the purchase or sale of a security is in the best interest of more than one of their respective Clients and is consistent with each Clients' Governing Documents, it may (but is not obligated to) aggregate the orders to be purchased or sold to seek favorable execution or lower brokerage commissions, to the extent permitted by applicable regulation or law. See Item 10 for further information on trade aggregation.

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

---

#### Oversight and Monitoring

Client investment portfolios are typically intended for long term hold. As a result, while ORIX Advisers' does not intend on making short-term decisions to sell securities, it does engage in ongoing monitoring of Clients' portfolios.

ORIX Advisers has established processes to monitor and manage the individual Portfolio Investments, and the overall investment objectives of, each Client.

ORIX Advisers has established an investment committee (the "Committee") for each Investment Team that is responsible for the investment oversight for each investment and may establish additional committees as it deems appropriate. The Committees meets periodically to review, among other items, investment

opportunities and investment performance across all Clients as well as compliance with Client guidelines and objectives.

### Reporting

Governing Documents of each ORIX Advisers Client will generally set out the frequency and content of investor reporting, which can include monthly or quarterly written reports to the Client describing various aspects of a Client's assets and cash distributions.

ORIX Advisers and/or an affiliate thereof generally provides each investor in a Fund with the following reports, subject to the terms of the applicable Governing Documents: (i) annual tax information, in respect of the Client, reasonably necessary to complete any applicable tax returns, if applicable; (ii) the Client's audited annual financial statements prepared in accordance with US generally accepted accounting principles, if applicable; and (iii) quarterly or monthly reports, as stated in such Client's Governing Documents, which will include applicable investment information. ORIX Advisers will, from time to time, in its sole discretion, provide additional information relating to a Client to one or more investors in such Client as it deems appropriate.

ORIX Advisers has developed policies and procedures and appropriate systems and controls to ensure that we are able to meet the specific reporting requirements in the Governing Documents.

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

---

ORIX Advisers has in the past and may in the future utilize the services of affiliated or unaffiliated SEC-registered investment advisers, broker-dealers, and placement agents to refer clients for its products. ORIX Advisers compensates such firms for client referrals that result in the provision of investment advisory services to Clients. Compensation related to such arrangements will be calculated and paid in a manner consistent with applicable Governing Documents, SEC rules and relevant disclosures made to Clients. From time to time, ORIX Advisers may enter into additional solicitation arrangements and may compensate persons for client referrals.

### **Item 15. Custody**

---

ORIX Advisers is deemed to have "custody" of Clients within the meaning of Rule 206(4)-2 under the Advisers Act when ORIX Advisers has access to or authority over client funds and/or securities (e.g., where ORIX Advisers or an affiliate serves as general partner of a client that is a Pooled Vehicle). For those clients where ORIX Advisers has determined that it is deemed to have custody and to the extent required by Rule 206(4)-2, a Qualified Custodian (as defined in Rule 206(4)-2) will be hired and required to provide the client periodic account statements (generally on a quarterly basis) indicating the amounts of any funds and/or securities in their account as of the end of the statement period and any transactions in the account during the statement period. If such client is a Pooled Vehicle, investors will typically receive audited financial statements on an annual basis (within 120 days of the Pooled Vehicle's fiscal year end) in lieu of periodic account statements. The audited financial statements will be prepared in accordance with generally accepted accounting principles. Clients and fund investors should review these statements/reports carefully.

Additionally, Clients or fund investors should immediately contact ORIX Advisers using the contact information provided on the Cover Page if they are not provided the applicable statements on a timely basis or if they should discover any discrepancy between the statements and any reports we provide the Client or fund investor.

To the extent ORIX Advisers has custody over the assets of a Client that is not a Fund and such assets of a Client are held by one or more custodial banks, such custodial banks send account statements to such Client.

Such Clients should compare the account statement received from the custodial bank to account statements ORIX Advisers delivers to the Client.

To the extent ORIX Advisers engages a sub-adviser in connection with the provision of advisory services to a Client, such sub-adviser will take steps to ensure compliance with the applicable rule consistent with the services provided to the Client and applicable SEC rules.

---

**Item 16. Investment Discretion**

---

ORIX Advisers is appointed as investment manager or asset manager of each Client pursuant to either an investment management agreement or asset management agreement. The Governing Documents of each Client generally allow ORIX Advisers and its affiliates to exercise discretionary authority (both limited discretion in some case and non-discretionary investment recommendations), subject to the investment guidelines and investor approvals as described in the Governing Documents of such Client, and to perform the day-to-day investment operations of the Client. The Governing Documents also provide the procedures required to be followed prior to assuming authority over a Client (e.g., execution of a power of attorney).

If a Client has retained ORIX Advisers or its affiliates to manage an account on a non-discretionary basis (“Non-Discretionary Client”), there is the potential for the Non-Discretionary Client to be disadvantaged because ORIX Advisers or its affiliate generally must obtain the Non-Discretionary Client’s approval prior to effecting investment transactions, including the purchase, extension, renewal and/or disposition of investments (or portion thereof), on their behalf (unless otherwise agreed to with the Non-Discretionary Client). Therefore, in certain instances, a Non-Discretionary Client may be precluded from participating in certain investment opportunities if ORIX Advisers or its affiliate is unable to obtain the Non-Discretionary Client’s consent in a timely fashion. As a result of these and other factors, the performance of non-discretionary accounts may be adversely impacted or can be different from (and be better or worse than) the performance of discretionary accounts following the same investment strategy.

---

**Item 17. Voting Client Securities**

---

While publicly-traded equity securities will generally not be a large portion of Client investments due to the nature of ORIX Advisers’ investment strategies, a Client could, own equity investments in which it has the right to vote via a shareholder proxy. ORIX Advisers is expected to have authority to vote Client securities in its discretion. There may be limited situations in which ORIX Advisers does not have the authority to vote Client securities in a certain manner. ORIX Advisers has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care and loyalty. In all cases, ORIX Advisers will seek to vote Client securities in a way that is believed to be in the best interests of such Client and in accordance with the Client’s Governing Documents.

ORIX Advisers’ proxy voting policies and procedures are designed to identify conflicts or potential conflicts that could arise between our interests and those of the Client. If it is determined that any such conflict or potential conflict is not material, ORIX Advisers can vote the proxy notwithstanding the existence of the conflict. If the conflict of interest or potential conflict of interest is determined to be material, one or more methods would be used to resolve the conflict, including (1) disclosing the conflict to the Client and obtaining their consent as outlined in the Governing Documents before voting, (2) engaging a third party to recommend a vote with respect to the proxy or (3) such other method as is deemed reasonable under the circumstances.

ORIX Advisers has the responsibility to monitor proxy votes for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions on matters where a conflict exists must be brought to the attention of the compliance department for a mandatory conflicts of interest review in accordance with these policies and procedures, which will include consideration of whether ORIX Advisers

or any investment professional or other person recommending how to vote and/or ORIX Advisers' affiliates and their clients have an interest in how the proxy vote is cast that may present a conflict of interest. In addition, all ORIX Advisers' investment professionals are expected to perform their tasks relating to the voting of proxy votes in accordance with the principles set forth above, and in the best interest of the relevant Client. The compliance department will use its best judgment to address any such conflict of interest and ensure that it is resolved in accordance with its independent assessment of the best interests of the Clients.

Where ORIX Advisers deems appropriate in its sole discretion, it may seek the assistance of unaffiliated third parties to help resolve conflicts or to otherwise assist ORIX Advisers in fulfilling all or part of its voting obligations. In this regard, ORIX Advisers can retain, if deemed appropriate, independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to which Voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Upon written request, investors or Clients can obtain (i) a copy of ORIX Advisers' proxy voting policies and procedures, and (ii) information concerning proxy votes on behalf of Clients. ORIX Advisers maintains the following records relating to proxy voting in its office:

- Copies of ORIX Advisers' proxy voting policies and procedures and any amendments.
- Proxy statements received for Client securities.
- Records of proxy votes cast on behalf of Clients.

---

#### **Item 18. Financial Information**

ORIX Advisers does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and thus has not included a balance sheet for its most recent fiscal year. ORIX Advisers is neither subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients nor been the subject of a bankruptcy proceeding.

---

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to ORIX Advisers.