



ORIX ADVISERS, LLC

Growth Capital, Asset Based Finance, Structured Credit, and GP Solutions

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This brochure (the “Brochure”) provides information about the qualifications and business practices of the Growth Capital, the Asset Based Finance, Structured Credit, and GP Solutions Investment teams 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.

Item 2. Material Changes

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

- The GP Solutions investment team of ORIX Advisers has been added to the Brochure, including a description of the strategy and additional disclosure concerning certain risks associated with the strategy.

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Item 4. Advisory Business

ORIX Advisers is wholly-owned, through intermediate wholly-owned subsidiaries¹, 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 asset based finance investment team (“Asset Based Finance”), growth capital investment team (“Growth Capital”), structured credit investment team (“Structured Credit”) and GP Solutions investment team (“GP Solutions” and collectively with Asset Based Finance and Growth Capital and Structured Credit, the “Investment Teams”), provides portfolio management and advisory services to separately managed accounts (“SMAs”) and intends to do so for future pooled investment vehicles (each a “Fund” and collectively, the “Funds”). In addition, ORIX Advisers provides portfolio management and advisory services to an investment fund organized as an employee securities company (“ESC Fund”) and together with the Funds and SMAs, each a “Client” and collectively “Clients”).

Growth Capital provides debt capital to private, growth and late-stage venture and private equity-backed companies on an enterprise value lending basis, primarily in the technology and healthcare industry segments in the United States and Canada, including the software as a service (SaaS), technology infrastructure and cloud, artificial intelligence and data and analytics, Internet and mobile, technology-enabled services, cybersecurity, sustainable technology, healthcare IT, digital media and consumer, and the Internet of Things industry segments. The debt is typically secured, provided across a range of flexible structures that include revolving loans, term loans with delayed draw components, and convertible debt, and frequently is paired with equity warrants issued by a borrower.

Asset Based Finance, on behalf of its Clients, primarily invests in debt instruments across the capital structure of sponsored and non-sponsored middle-market companies principally located in, or with a significant presence or operations in, North America with a primary emphasis on financings collateralized by hard assets, financial assets, IP based assets, real assets, structured settlements, insurance commissions, government backed receivables, equipment leases, and other esoteric loans and receivables.

Structured Credit, on behalf of its Clients, invests in high-quality, securitized pools of assets with a primary focus on commercial mortgage and residential mortgage-backed bonds, rated BB+ or better. Structured Credit currently invests in commercial mortgage-backed securities (“CMBS”), CRE CLOs, and different types of residential mortgage-backed securities (“RMBS”), as well as esoteric ABS.

GP Solutions provides strategic capital financing to private capital sponsors. The GP Solutions team invests in capital call line facilities, NAV loans, GP management company financing, and related structured liquidity solutions. GP Solutions transactions are typically structured as loans and are employed by private capital sponsors to fund portfolio company growth initiatives, GP-level strategic opportunities and liquidity to investors.

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, loan participation 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 will be provided directly to such Fund and not individually to the investors in such Fund. Accordingly, such services will be tailored to a Fund’s

¹ 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.

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 such Fund's investment objectives.

While not covered in this Brochure, ORIX Advisers also provides advisory services to Clients other than the Clients covered in this Brochure ("Other Clients") through its private equity investment team ("ORIX Capital Partners") and leveraged credit investment team ("Signal Peak") 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.

ORIX Advisers has been registered with the SEC as a stand-alone investment adviser since March of 2020. Growth Capital was established in 2001 as an investment team at ORIX USA solely managing balance sheet assets for ORIX USA and affiliated companies and joined ORIX Advisers in March of 2022. Asset Based Finance was established in 2020 and joined ORIX Advisers in June of 2021. Structured Credit was established in 2014 as an investment team at ORIX USA solely managing balance sheet assets for ORIX USA and affiliated companies and joined ORIX Advisers in January 2022. GP Solutions was established in April 2022 managing balance sheet assets and joined ORIX Advisers in October 2024. 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.

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 realized or unrealized profits (collectively referred to as "Carried Interest"). Furthermore, to the extent ORIX Advisers engages a sub-adviser in connection with the provision of advisory services to a Client, the Management Fee and Carried Interest paid by such Client also cover the investment advisory services rendered by the sub-adviser.

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), family members of such employees, their officers, directors, principals, members and consultants and any vehicles established for certain aforementioned persons, including employee vehicles 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. For certain Clients, the Management Fee is expected to be calculated as a percentage of either the Client's net asset value, actively invested capital, or committed capital, as outlined in each applicable Governing Document. 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 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 arrears or 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 partial or full realization 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 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 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. With regard to Client accounts managed by the Investment Teams, ORIX Advisers will generally be entitled to retain an incentive fee based on the proceeds of investments subject to a predetermined preferred return to the investor as described in the applicable Governing Document of each Client. 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 company in which the Client has invested (a "Portfolio Investment" or "Portfolio Company", and if more than one, "Portfolio Investments" or "Portfolio Companies") 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.

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.

A Client will bear certain expenses in addition to the Management Fee and Carried Interest.

To the extent a Client acquires loan participations from ORIX Advisers or its affiliates, it will reimburse ORIX Advisers or its affiliates for the Client's applicable pro rata share of all out-of-pocket expenses and disbursements (including reasonable fees of counsel) incurred by ORIX Advisers or its affiliates in connection with the administration of such loan participations, the rights transferred thereunder, the underlying loan documents, or any related documents, and any effort to enforce or protect ORIX Advisers' (or its affiliates') or the Client's rights or interests thereunder.

Each Client that is a Fund is responsible for all of 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 a Client's Governing Documents and to the extent applicable, Clients will also bear some or all of the following expenses: legal, accounting, audit, actuarial, consulting (including fees of affiliated consultants), brokerage, sale, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive), marketing, advertising, printing, wholesaling and other fundraising expenses associated with the admission of an investor to a Fund and investor-related services and other similar costs, travel and travel-related and entertainment expenses incurred in connection with the Client's fundraising and investment activities, premium meals, social and entertainment events, organizational expenses of the Client's general partner, fees paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Client, as well as any related internal costs that ORIX Advisers or its affiliates may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee a Client's books and records),

research and other information (including, but not limited to, research costs allocated by ORIX Advisers' internal research team and third-party groups, and including data and information service subscriptions, related systems and services from data providers and data management software and including any research or other service that may be deemed to be bundled for the benefit of such Client, and financial newspapers and magazines), as well as the information technology systems used to obtain such research and other information, third-party diligence software and service providers, subject and industry-matter research and experts, costs and expenses of third parties engaged to assist ORIX Advisers in sourcing and evaluating new transactions, brokerage, finders', custody, transfer, registration, advisory board meeting expenses (and including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses) as well as other advisory board expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the advisory board and other expenses incurred in connection with advisory board action), information technology system expenses (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of a Client, its investors, or a Portfolio Investment or potential Portfolio Investment), bridge financing expenses and guarantees (which may be payable to another Client co-investing in the bridge transaction or to ORIX Advisers or an affiliate to the extent such entity provides the bridge financing to the applicable Client), financing, commitment, origination, structuring, underwriting, agent and similar fees and expenses, insurance premiums of any general partner liability, errors and omissions, or other insurance and extraordinary administrative or operating expenses, including, without limitation, all litigation, arbitration and indemnification expenses), including insurance of which ORIX Advisers and its affiliates are beneficiaries, cyber-security insurance premiums, interest, taxes, fees and other governmental charges levied against a Client or payable by a Client and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Client, expenses incurred in connection with tax preparation and filings, expenses relating to the preparing, printing and distributing investor reports physically or electronically (including software use to electronically distribute such reports), expenses of loan servicers and other service providers, expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), risk management assessment expenses, fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Client's investment activities, expenses associated with a Client's compliance with applicable laws and regulations, including regulatory filings as they relate to the Client's activities, fees and expenses of the Limited Partner Advisory Committee, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of a Client or ORIX Advisers that are attributable to the operation of such Client or requested by one or more investors in a Client, expenses incurred in connection with complying with provisions in investor Side Letters, including "most favored nation" provisions, the costs associated with any amendments, modification, revisions or restatements to the organizational documents of a Client, the costs and expenses of hosting annual or special meetings of the Clients' investors (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related and other expenses), such Client's allocable share of expenses and fees generated in the course of sourcing, evaluating, investigating, developing and researching potential investments, including investments which are not consummated (including certain advisory, transaction, consulting and other similar fees paid to ORIX Advisers or ORIX Advisers' affiliates, and legal expenses incurred in connection with claims or disputes related to unconsummated or proposed investments and including expenses and fees that would have been allocable to co-investment vehicles or other co-investors, expenses incurred in connection with the disposition of investments (including closing, execution and other transaction costs), expenses and fees generated in the course of organizing, maintaining, administering, restructuring operating and negotiating joint ventures arrangements and platform investments, such Client's allocable share of expenses and fees incurred in the course of making investments, expenses of liquidating a Client, and other similar fees and expenses, as well as any other fees or expenses incurred by ORIX Advisers or its affiliate or such Client in connection with such Client's operations.

Clients will generally bear all of their own expenses and costs in connection with any SMA arrangement and will not bear any of ORIX Advisers' expenses and costs relating to the provision of services in connection with such SMA arrangements other than the management fee and any other expenses as outlined in the relevant Governing Documents. Investors should carefully review all fees charged by ORIX Advisers, its affiliates, and others, as set out in the applicable Client's Governing Documents to understand fully the total amount of expenses paid by a Client and, indirectly, its investors, when applicable.

Clients may be required to pay certain brokerage fees as further discussed below under "Brokerage Practices" in Item 12. Any brokerage commissions and other compensation to third parties, generated by securities or loan transactions in a Client's account will be paid by such Client, and not by ORIX Advisers or any of its affiliates (except to the extent advanced by such parties and reimbursed by such Client).

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 a Client of a percentage of realized investment profits, subject to the return of all or a portion of investors' contributed capital and a preferred return for the Client. 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 investments (some conflicts of which may be mitigated for some or all Fund investors or SMAs either by Side Letter (as described below) or other Governing Documents). The payment by some, but not all, 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.

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 Funds, except with respect to 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 method the Investment Teams use in formulating advice or managing assets (and their material risks) and (ii) the material risks associated with the types of investments that the Investment Teams primarily recommend to and selected 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 of 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.

Investment Strategy

Growth Capital

Growth Capital’s investment strategy is focused on generating attractive risk-adjusted returns for investors by providing debt capital to private, growth and late-stage venture and private equity-backed companies, primarily in technology and healthcare industry segments, including the software as a service (SaaS); infrastructure and cloud technology; artificial intelligence and data and analytics, Internet and mobile, tech-enabled services, cybersecurity, sustainable technology, healthcare IT, digital and consumer media and Internet of Things industry segments (“Target Industries”) that meet certain revenue and revenue growth criteria. Growth Capital focuses primarily on US and Canada-based companies with significant enterprise value, market leadership, proprietary products, customer validation, revenue sustainability and often have

the equity-backing of venture capital and private equity investment firms. Investments range from secured lending, including revolvers, first lien term loans, unitranche loans, second lien term loans, subordinated debt and delayed draw term loans.

Asset Based Finance

Asset Based Finance's investment strategy seeks to invest in debt instruments across the capital structure of sponsored and non-sponsored middle-market companies principally located in, or with a significant presence or operations in, North America with a primary emphasis on financings collateralized by hard assets, financial assets, IP based assets, real assets, structured settlements, insurance commissions, government backed receivables, equipment leases, and other esoteric loans and receivables.

Structured Credit

Structured Credit's investment strategy seeks to invest in high-quality, securitized pools of assets presenting attractive relative yield profiles. The team has predominantly focused on commercial mortgage and residential mortgage-backed bonds, rated BB+ or better, targeting strong relative value, for secure credits with the ability to withstand severe market stresses. Structured Credit's strategy seeks investment opportunities that fall outside of traditional markets and can be attractive to investors seeking diversified structured opportunities. Investments include both investment grade and non-investment grade structured credit solutions. Structured Credit currently invests in commercial mortgage-backed securities ("CMBS"), CRE CLOs, and different types of residential mortgage-backed securities ("RMBS"), as well as esoteric ABS.

GP Solutions

GP Solutions provides liquidity solutions and working capital for primarily U.S. based private equity sponsors. The GP Solutions team generally invests in capital call line facilities, NAV loans, GP management company financing, and related structured liquidity solutions. GP Solutions transactions are typically structured as loans and are employed by private capital sponsors to fund portfolio company growth initiatives, GP-level strategic opportunities and liquidity for investors. Investments include subscription facilities for cash flow management purposes, single-fund and diversified NAV loans for liquidity, add-on acquisitions and portfolio optimization purposes, fund securitizations, and strategic financing to management companies for strategic growth initiatives.

Method of Analysis

ORIX Advisers' process for evaluating potential investments may include a variety of proprietary and non-proprietary research, risk framework processes, and methods of analyses, and a variety of both internal and external resources, such as third parties engaged to assist ORIX Advisers in sourcing and evaluating new transactions, research and reports provided by third parties and corporate ratings services and financial newspapers and magazines. The Investment Teams employ a comprehensive and dynamic risk framework process based on established limits that consider the different characteristics of each investment, including collateral and liquidity considerations within capital preservation objectives.

Summary of Material Risks

The following is a description of some important risks associated with the investment strategies and the types of investments held by the strategies that ORIX Advisers 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 ORIX Advisers.

Prospective clients are advised to review applicable Governing Documents for a more extensive description of the risks of investing in the applicable investment strategy.

The value of investments owned by our Clients will generally fluctuate with, among other things, the financial condition of the counterparty, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry or geographic area and changes in prevailing interest rates.

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^[1], 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, loans, broadly syndicated loans 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, 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 and many loan borrowers. Any future events of this nature or other similar events could have an adverse impact on the private equity and loan 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 as well as loans in general, on the volume and type of loans originated or held for investment or for sale thereby and on the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount of loans available to Clients and returns to Clients, among other things. The impact of these circumstances could vary among the different ORIX Advisers investment teams but could impact, the 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

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

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, their Portfolio Investments and borrowers and in many instances, they will be negatively impacted, particularly the late-stage venture backed companies that are obligors on the loans in which Clients invest. Clients will be impacted if, among other things, (1) amendments and waivers are granted (or are required to be granted) to borrowers permitting deferral of loan payments, (2) borrowers default on their loans, are unable to refinance their loans at maturity, or go out of business permanently, (3) the value of loans held by Clients decrease as a result of such events and the uncertainty they cause and/or (4) Portfolio Investments businesses' are shut down. There can be no assurance that such emerging events will not cause a Client to suffer a loss of any or all of its investments or interest thereon. Clients will also be negatively affected if the operations and effectiveness of ORIX USA Group, ORIX Advisers, Portfolio Investments, obligors, borrowers or 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 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 (including accounts used for depositing principal and interest payments from borrowers on loans owned by a Client) 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. ORIX Advisers' investment objective for Clients is to create significant interest income while seeking upside returns via warrants and back-end fees. 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.

Contingent Liabilities. Clients may from time to time incur contingent liabilities in connection with an investment. For example, a Client may acquire a revolving credit or delayed draw term facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, such Client will be obligated to fund the amounts due. There can be no assurance that such Client will adequately reserve for such contingent liabilities and that such liabilities will not have an adverse effect on such Clients.

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 failure, 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 Investments 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 Portfolio 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 company ORIX Advisers is dependent upon information and data obtained through the company 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 company'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.

Broad Investment Mandate. Certain Clients may have an investment strategy that is opportunistic in nature and covers a broad range of asset classes, geographic regions and industries. Except as set forth in relevant Governing Documents, there are no material limitations on the instruments, markets or countries in which a Client may invest or the specific investment strategies that may be employed on behalf of the Client. Subject to the foregoing, the Client may make investments throughout the capital structure such as

senior secured debt, bank debt, unsecured debt, subordinated debt, mezzanine securities, convertible bonds, preferred equity and common stock. In light of the Client's investment objective, the Client may make credit, debt and/or equity investments that may not involve control or influence over the underlying entity in which the Client invests. Additionally, the Client will be permitted to invest (and may actually invest) in any number of companies operating in a wide range of industries, geographies or activities, and as a result, the Client will be exposed to a wide range of risks.

Investment Guideline Risk. A Client may be precluded from participating in certain investment opportunities due to the Client's investment guidelines, restrictions, parameters, investment objective or strategy, which may include, but not be limited to, emphasizing or limiting exposure to specific investments, type of security, jurisdiction, industry, differences in risk profile at the time the opportunity becomes available, timing constraints, and current and anticipated market conditions. As a result, a Client's performance could be negatively impacted because its investment guidelines or objective could prevent it from participating in certain investment opportunities or exiting certain positions.

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 trades or investments from ORIX Advisers and/or will not provide consent to such trades or investments until after ORIX Advisers' discretionary accounts have had their final allocation amount determined and/or finished trading/investing. Therefore, Non-Discretionary Clients will not always benefit from aggregated or "bunched" orders, resulting in a delay in execution of orders, and resulting in their accounts receiving a price that potentially is less favorable than that obtained for discretionary accounts. 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. Prior to June 30, 2023, certain bonds and loans held by Clients had floating interest rates based on the London Inter Bank Offered Rate ("LIBOR"). 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 loans, bonds and derivatives 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.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, certain bonds and loans held by Clients have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

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 and the trading prices of such 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 floating rate instruments that are linked to less volatile rates. All of the foregoing risks may affect the performance of the applicable bonds and loans in which Clients invest, which in turn may adversely affect the performance of Clients.

Alternative Benchmark Rate Risk. As stated above, some of the bonds and loans held by the Clients have 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 the Clients invest.

Interest Rate Risk. Changes in interest rates may have material negative impacts on Client investments, the financial condition of companies, the valuations for loan investments, unanticipated repayments of loans and pressure to renegotiate terms on existing loans. Debt investments with fixed interest rate payments generally decline in value when market interest rates rise. ORIX Advisers will attempt to mitigate but may not be able to eliminate this particular risk by primarily extending loans with floating interest rates. When loans are floating rate, rising interest rates increase the amount of interest payments that a company will need to pay to its creditors, which may lead to a deterioration in its financial condition and the corresponding valuation for loans that ORIX Advisers has extended to such company. When interest rates rise or fall, it can prompt companies to decide to refinance their existing debt for several reasons, such as improving their interest rates, locking in rates over a longer maturity horizon, or gaining other changes in their debt terms. When companies seek to refinance existing loans extended by ORIX Advisers, they may decide to refinance their debt with another lender and repay a loan from ORIX Advisers earlier than anticipated, reducing future investment returns. In cases in which an existing borrowing company refinances its debt with ORIX

Advisers, the new terms may be materially worse than those of the prior loan. Changes in interest rates, both positive and negative, can also lead to changes in the overall market pricing for loans and their spreads above a reference rate. Such changes in spreads can negatively impact the values of loans even if they are floating rate.

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. Loan investments held by Clients are not typically publicly traded and their fair values often are not readily determinable. ORIX Advisers will value loan investments, in good faith, pursuant to ORIX Advisers' valuation policies and procedures and in accordance with US generally accepted accounting principles, which, in the case of loans that are held for investment purposes (in the case where investment company accounting is not applied), means using the amortized cost method, including an allowance for credit loss reflecting anticipated inherent losses in the portfolio. For certain Clients, ORIX Advisers will provide, when required, estimated fair market values for the loans owned by the Client as these Clients utilize fair value accounting or require fair values for financial statement disclosures. These fair values are generally determined using a market comparable approach to determine enterprise value and/or a cash flow model and discounting each loan's expected cash flows at current market rates for comparable loans and these fair values, unless otherwise agreed in the relevant Governing Documents, are not utilized to determine asset management fees. Such valuations comprise certain good faith determinations made by ORIX Advisers, which are subjective in nature. Actual amounts realized with respect to a loan investment could vary significantly from the value at which the loan 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.

Parallel Investment Risk. At the time that a Client acquires, directly or indirectly through a subsidiary, a portion of a loan under a credit facility, from any Investing Party (as defined in Item 10), the Investing Party will own a portion of such loan under such credit facility in an aggregate amount equal to or greater than the amount of such loan under such credit facility held by such Client, as applicable. In the event that an Investing Party fails to meet certain obligations under such loan by failing to fund the loan, defaulting on the loan or as a result of the Investing Party's financing sources, whether a third party or an ORIX USA Group entity, materially amends the terms of the financing arrangement (including by reducing or terminating the financing arrangement), the Investing Party, either individually or in the aggregate, may not be able to own as much of a particular loan (which may be zero) as desired or expected (either due to a failure to acquire such requisite amount of the loan in the first instance, or due to subsequently selling all or a portion of such Loan) which would negatively impact such Client's ability to acquire or retain all or any portion of such loan.

Debt Instruments Generally. Clients will make investments in debt instruments. Debt could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be unsecured. Moreover, such debt investments could not be protected by financial covenants or limitations upon additional indebtedness, and there is generally no minimum credit rating for such debt investments. Other factors could materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which Clients invest will have speculative characteristics. Generally,

such securities offer a higher return potential than higher-rated securities but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) could face significant ongoing uncertainties and exposure to adverse conditions that could undermine the issuer's ability to make timely payment of interest and repayment of principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and could have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

Covenant Lite Loans. Covenant lite loans contain limited, if any, financial covenants. Generally, such loans either do not require the obligor to maintain debt service or other financial ratios or do not contain common restrictions on the ability of the obligor to change significantly its operations or to enter into other significant transactions that could affect its ability to repay such loans. As a result, the Clients' exposure to different risks may be greater than is the case with loans that have such requirements and restrictions, including with respect to liquidity, price volatility and the ability to restructure loans.

Loans to Private Companies. Loans to private, small and middle market companies involve a number of particular risks that may not exist in the case of large, more established and or publicly-traded companies, including without limitation:

- (i) these companies may have limited financial resources and may be unable to meet their obligations under the debt securities that a Client holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of such Client realizing on any guarantees the Client may have obtained in connection with its investment;
- (ii) these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- (iii) limited public information exists about many of these companies, and the Client is required to rely on the ability of the ORIX Advisers investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies, and if ORIX Advisers is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and as a result, the Client may lose money on such investments;
- (iv) these companies are more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a negative impact on these companies' ability to meet their obligations;
- (v) these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- (vi) these companies may have difficulty accessing the capital markets or obtaining financing to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity, which may increase the risk of their defaulting on their obligations, leaving creditors such as a Client dependent on any guarantees or collateral they may have obtained.

In general, loans to small and middle market companies are subject to market value volatility that are often not apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for such loans and adversely affect the value of outstanding loans and the

ability of the debtors thereof to repay principal and interest. Moreover, the default history for such loans is limited, actual defaults could be greater than indicated by historical data and the timing of defaults could vary significantly from historical observations. The impact of these risks on loans made by the Client will be more pronounced when the loans are not secured by the private company's assets.

Unitranche Loans. A unitranche loan is a hybrid loan structure that combines senior and subordinated debt into one debt instrument at a blended interest rate that falls between the rates of two traditional types of debt, senior and mezzanine. Unitranche loans are considered a fairly new product and their performance relative to traditional senior loans has not been fully evaluated through a credit cycle. Moreover, the more complicated terms now appearing in intercreditor agreements among unitranche lenders have not been widely tested in bankruptcy or significant workout situations. Accordingly, default and loss expectations are more difficult to estimate.

Second Lien and Split Lien Loans. Second lien loans and/or split lien loans (each referred to as "Second Lien Loans") are secured by liens on the collateral securing a loan that are subordinated to the liens of at least one other class of obligations of the related debtor on all or some portion of the collateral, and thus, the ability of the holder of the Second Lien Loan to exercise remedies after a Second Lien Loan becomes a defaulted loan is subordinated to, and limited by, the rights of the senior creditors holding such other classes of obligations. In many circumstances, the holder of the Second Lien Loan is prevented from foreclosing on the collateral securing the Second Lien Loan until the related senior loan is paid in full. Moreover, any amounts that might be realized on the applicable collateral as a result of collection efforts or in connection with a bankruptcy or insolvency proceeding involving a Second Lien Loan must generally be turned over to the senior secured lender until the senior secured lender has realized the full value of its own claims. In addition, Second Lien Loans can contain provisions requiring the Second Lien Loan's interest in the collateral to be released in certain circumstances. These lien and payment obligation subordination provisions could materially and adversely affect the ability to realize value from Second Lien Loans.

Last Out Loan. A "Last Out Loan" is a senior secured loan that is generally fully subordinated in right of payment or application of proceeds (other than permitted interest and principal payments) to the related senior secured loans of the same debtor until such related senior secured loans are paid in full. There is a risk that those lenders whose loans are part of the "last out" portion of such credit facility will not receive payment in full if there are insufficient amounts available to pay both the senior and subordinate portions of such credit facility.

Unsecured and Subordinated Loans or Debt. Certain unsecured loans or debt ("Subordinated Debt") are loans or debt that are contractually subordinated in right of payment to at least one other class of obligations of the related debtor and provide that some or all of the payments owed under the Subordinated Debt cannot be paid unless and until the senior debt is paid in full. As a result, any amounts that might be realized as a result of collection efforts or in connection with a bankruptcy or insolvency proceeding involving Subordinated Debt must generally be turned over to the senior lender until such senior debt has been paid in full. In addition, scheduled payments of principal and interest on the Subordinated Debt may be suspended in the event the senior debt is in default, and the holder of the Subordinated Debt may be prohibited from exercising any creditor enforcement remedies during such time. Subordinated Debt can contain provisions requiring the Subordinated Debt's interest in the collateral (if secured) to be released in certain circumstances. These subordination provisions could materially and adversely affect the ability to realize value from the Subordinated Debt. Subordinated Debt generally has greater price volatility than secured loans and may be less liquid.

Mezzanine Loans. Mezzanine loans are generally unsecured and made in companies whose capital structures have significant indebtedness ranking ahead of Client investments, all or a significant portion of which may be secured. This can result in an above average amount of risk and volatility or a loss of

principal. To the extent interest or dividend payments associated with such investments are deferred, such investments can be subject to greater fluctuations in valuations. Mezzanine loans may not benefit from all the similar financial and other covenants and rights as those enjoyed by the indebtedness ranking ahead of such investments.

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 US 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.

Senior Secured Loans. Senior secured loans and participations are subject to risks, including: (i) the possible invalidation, avoidance, unwinding or subordination of an investment transaction; (ii) so-called lender liability claims; (iii) environmental liabilities; (iv) limitations on the ability to directly enforce compliance by the obligor with the terms of the loan or credit agreement or enforce (or retain all the proceeds realized from) any rights of set-off against the obligor; and (v) the possibility of being outvoted by other lenders in syndicated senior secured loans on important issues. In addition, these investments may be subject to the risk that a Client's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to

casualty or devaluation risks. In addition, certain senior loans, unlike typical senior loans, have limited mandatory amortization requirements. Lastly, the characterization of an investment as senior debt or senior secured debt does not mean that such debt will necessarily have repayment priority with respect to all other obligations of a company. Portfolio Investments may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the senior loans in which the Clients invest.

Risk of Default. The return of principal of loans will depend in large part on the creditworthiness and financial strength of borrowers. ORIX Advisers intends to monitor on an ongoing basis borrower creditworthiness. If there is a default by the borrower under a loan, ORIX Advisers will under most circumstances have contractual remedies pursuant to the loan agreements, including, in many cases, the sale of collateral. However, exercising such contractual rights may involve delays or costs, and any available collateral may prove to be unsaleable or saleable only at a price less than the loaned amount, which could result in a loss to Clients. There can be no guarantee that legal action will allow for the recovery of all outstanding loan balances due to Clients. Defaulted loans can require substantial workout negotiations or a restructuring that could entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. ORIX Advisers may choose to enter into forbearance agreements or delay legal action if it believes that such action improves the opportunity for a better outcome. The pursuit or delay of legal action may significantly increase the amount of time required to collect principal balances or lead to principal losses. Additionally, if a borrower issues equity investments in connection with a bankruptcy re-organization or the restructuring of any loan owned by a Client, the Client would subsequently own equity investments or similar interests in the obligor. Loans have significant credit risk and material losses could occur.

Value of Collateral. ORIX Advisers believes borrowers generally will be able to repay their loans from their available capital, future capital-raising transactions, sales to strategic or financial acquirers or cash flow from operations. However, to mitigate credit risks, loans will typically be secured by all or a portion of the assets of the borrower, including the equity interests in any subsidiaries. There is a risk that the collateral securing loans may decrease in value over time, may be difficult to appraise or sell in a timely manner and/or may fluctuate in value based upon business and market conditions, including as a result of the inability of the borrower to raise additional capital. In some circumstances, liens could be subordinated to claims of other creditors. Consequently, although a loan is secured, principal and interest may not be paid according to the loan's terms and the value of the collateral may not be sufficient to recover investments should remedies need to be enforced.

In addition, a substantial portion of the assets securing Clients' investments may be in the form of intangible assets, including intellectual property. Intangible assets are difficult to value and their value is often in conjunction with the borrower operating as a going concern and difficult to monetize independently. Intellectual property securing a loan may have limited or no value if the borrower's rights to the intellectual property are challenged or if the borrower's license to the intellectual property is revoked or expires. A security interest may sometimes be obtained in all assets of the borrower other than intellectual property and a loan agreement may also contain commitments by the borrower not to grant liens to any other creditor on the borrower's intellectual property. In these cases, there may be additional difficulty recovering principal in the event of a foreclosure. Any equipment securing loans to technology companies may not provide the anticipated collateral value if there are changes in technology or advances in new equipment that render the equipment obsolete or of limited value or if the borrower fails to adequately maintain or repair the equipment. Any one or more of the preceding factors could materially impair the ability to recover principal in a foreclosure.

Difficult Economic Conditions. Negative economic trends, such as slowdowns and recessions, nationally as well as in specific geographic areas of the United States or Canada could result in an increase in loan

defaults and delinquencies with many borrowers unable to repay their loans during these adverse economic conditions. Adverse economic conditions may also decrease the value of collateral securing some loans and the value of any related equity investments. Given the nature of Client investments, borrowers under Client loans may be unable to make scheduled payments of interest or principal on their borrowings or obtain refinancing during these periods which could lead to defaults under certain loan arrangements and, potentially, foreclosure on its secured assets. Such failures could also trigger cross-default provisions under other agreements and generally jeopardize the borrower's ability to meet its obligations under the loans held by Clients. Clients may incur expenses in recovering their investments upon borrower default or in negotiating new terms with a defaulting borrower. A decreased ability of borrowers to obtain refinancing (particularly if high levels of required refinancings approach) may result in an economic decline or otherwise increase market volatility and cause a deterioration in loan performance generally and defaults. There is no way to determine whether or when such trends will become or remain stable, improve or worsen in the future.

Originated Investments. ORIX Advisers originates investments, either on its own or with co-lenders. Loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases, including that when originating loans, ORIX Advisers will generally have to rely more on its own resources and assessments to conduct due diligence of the borrower, which may be different or more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter. Originators of loans may be entitled to certain rights and fees not available to secondary purchasers of loans. Loan origination may involve additional regulatory risks and expenses, given the requirement to hold a license for certain types of lending in some jurisdictions, which may be applicable to Clients, the general partners of such Clients, ORIX Advisers or their affiliates, as well as additional disclosure requirements. In certain circumstances, originators of a loan may be subject to risks as an originator if the Client has sold a participation to other persons. Also, the ability of ORIX Advisers to identify co-lenders to serve as syndicate partners could decrease due to increased regulation of certain types of potential partners (such as banks) or decreased liquidity in the loan market.

Investments in Loans through Participations and Assignments. Some Clients are expected from time to time to purchase interests in loans as participations ("Participations") from sellers (including sellers affiliated with ORIX Advisers such as ORIX USA), while others are expected from time to time to purchase such interests by way of a direct assignment of their portion of the loan. Participations represent the right to receive a portion of the principal of, and all of the interest relating to such portion of, the applicable loans. In purchasing Participations, such Clients will have a contractual relationship only with the seller of the Participation, and not the borrower under the loan. Such Clients will have no direct right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the seller. Clients may not directly benefit from the collateral supporting the related loan and will be subject to any rights of set-off the borrower has against the seller.

In addition, in the event of the insolvency of the seller, under U.S. law, Clients owning a Participation may be treated as a general creditor of such seller and may not have any exclusive or senior claim with respect to the seller's interest in, or the collateral with respect to, the loan. Consequently, such Clients could be subject to the credit risk of the seller as well as of the borrower in the case of a Participation.

Certain investments have restrictions on assignments and participations which would negatively impact a Client's ability to exit from all or part of its investment. Additionally, the Client may purchase a participation from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower.

When the Client holds a participation interest in a loan, it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder, and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects (other than certain limited consent rights that may grant it to a participation interest holder). Selling institutions voting in connection with such matters may have interests different from those of the Client and may fail to consider the interests of the Client in connection with their votes.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment, the Client generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement, and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Client will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Term Loans, Delayed Draw Term Loans, or Revolvers. Clients invest in a variety of different types of debt, including but not limited to term loans, delayed draw term loans, bridge loans, and revolving loans. A term loan is a loan that has a specified repayment schedule. A delayed draw term loan is a loan that typically permits the borrower to withdraw predetermined portions of the total amount borrowed at certain times. A revolving credit facility differs from a delayed draw term loan in that as the borrower repays the loan, an amount equal to the repayment may be borrowed again during the term of the revolving credit facility. Delayed draw term loans and revolving credit facilities usually provide for floating or variable rates of interest. If a Client enters into or acquires a commitment with a borrower regarding a delayed draw term loan or a revolver, such Client will be obligated on one or more dates in the future to lend the borrower monies (up to an aggregate stated amount) if called upon to do so by the borrower. These commitments may have the effect of requiring such Client to increase its investment in a borrower at a time when it might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). Delayed draw term loans and revolvers may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, such Client may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value. In the event that a contractual obligation extends beyond such Client's investment period, such Client would be required to meet such contractual obligations and, if it were unable to do so, would be subject to contractual penalties under such loans. Such Client's obligation to meet such contractual obligations, which may be met through drawdowns of capital commitments, may extend beyond such Client's investment period.

Financing Risk. The investment program contemplated for Clients is expected to involve at times the purchase of Participations by the Client subsequent to a loan's origination by affiliates of ORIX Advisers. The ability of the Client to invest in loans will be dependent upon the ability of such affiliates of ORIX Advisers to secure financing for such origination, either from another affiliate of ORIX Advisers or from a third party. There can be no guarantee that any affiliate of ORIX Advisers will be willing or able to make

such financing available or that financing from a third party will be available on commercially reasonable terms. If such financing is not available or is not available on terms that are commercially reasonable for purposes of the origination of the loans, ORIX Advisers' affiliates will be unable to originate loans, which may have a material adverse effect on the Clients and their investment program.

Agented Loan Risk. Loans purchased by our Clients are expected to include agented loans. Under the underlying documents with respect to agented loans, a financial institution or other entity (including ORIX USA Group entities) will be designated as the administrative agent and/or collateral agent or a person acting in a similar capacity. Under these arrangements, the obligor grants a lien to the agent on behalf of the holders of the associated indebtedness and directs payments to the agent, which, in turn, will distribute payments to the holders of the associated indebtedness, including Clients. As is typical in such agency arrangements, the agent is the party responsible for administering and enforcing the loan and generally is permitted to take actions only in accordance with the instructions of a majority or super majority in commitments and/or principal amount of the associated indebtedness. In the case of loans that are part of a capital structure that includes both senior and subordinated indebtedness, the agent can only take such action in accordance with the instructions of one or more senior tranches of the related indebtedness without any right to vote or consent (except in certain limited circumstances) by the subordinated tranches of the related indebtedness. In many cases, the loans held by our Clients represent less than the amount of associated indebtedness sufficient to direct actions with respect to such loans or represent subordinated debt which is precluded from acting and, consequently, we would be able to direct such actions only if our instructions were made in conjunction with other holders of associated indebtedness that together with Clients compose the requisite percentage of the related indebtedness then entitled to direct such action. Conversely, if holders of the required amount of the associated indebtedness other than a Client desire to take certain actions, such actions could be taken even if we did not support such actions. Furthermore, if a loan is subordinated to one or more senior loans made to the obligor, our ability to exercise such rights are often subordinated to the exercise of such rights by the senior lenders. However, as is typical for such loans, certain actions, including amendments to the payment terms of the loans, typically cannot be taken without consent of all holders of the related indebtedness, including Clients. If the loan is a syndicated revolving loan or delayed draw term loan, other lenders could fail to satisfy their full contractual funding commitments for such loan, which could create a breach of contract resulting in a lawsuit by the obligor against the lenders and adversely affect the fair market value of such loan.

There is a risk that a loan agent becomes bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness, including attempts to realize upon the collateral securing the loan and/or direct the agent to take actions against the related obligor or the collateral securing a loan and actions to realize on proceeds of payments made by obligors that are in the possession or control of such loan agent.

In addition, agented loans typically allow for the agent to resign with certain advance notice. Such loans might not, however, contain provisions for holders of the associated indebtedness to remove the agent thereunder. Therefore, under circumstances where removal of the agent would be in the best interests of the holders of the associated indebtedness (including Clients), the underlying loan documents would have to be amended by the requisite holders of the associated indebtedness with the agreement of the agent to remove the agent thereunder.

Please also see Item 15, Custody, for additional information regarding the agent.

Convertible Securities and Warrants. The value of convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock. Their value is also affected by adverse issuer or market information. With respect to warrants, they give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Their value depends on the value of the equity securities for which they can be exercised and their value may decrease or may be zero and thus

not be exercised if the market price of the underlying securities remains lower than the specified price at which warrant holders are entitled to buy such securities, resulting in a loss to the Client of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price. With respect to convertible securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. If a convertible security held by a Client is called for redemption, the Client will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Client's ability to achieve its investment objectives.

The value of warrants, equity securities for which warrants can be exercised, direct equity investments, and equities received upon conversion of debt instruments is dependent primarily on the success of the Portfolio Investments business strategy and the growth of its earnings, and on general economic and equity market conditions. The prospects for achieving consistent profitability in the case of many Portfolio Investments are speculative as these securities will generally be restricted securities that cannot be readily sold and are dependent on SEC registration requirements and marketing efforts outside of ORIX Advisers' control

Significant Leverage on Portfolio Investments Including Debt from Other Creditors. Many Portfolio Investments will be considered highly leveraged when assessed by typical leverage metrics of debt-to-EBITDA and interest-coverage. Some Portfolio Investments will have other debt that ranks equally with (*pari passu*), or senior to, Clients' loans. By their terms, these other debt instruments may provide that the holders thereof are entitled to receive payments of interest or principal on or before the dates on which Clients are entitled to receive payments in respect of their loans. These other debt instruments may prohibit the Portfolio Investments from paying interest on, or repaying the principal of, Clients' investments in the event of, and during, the continuance of a default under the other debt instruments. In addition, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a Portfolio Investment, holders of debt instruments ranking senior to Clients' investments in such Portfolio Investment would typically be entitled to receive payment in full before Clients receive any payment in respect of their investment. After repaying senior creditors, a Portfolio Investment may not have any remaining assets to use to repay a loan. In the case of debt ranking equally with Clients' loans, Clients would have to share in any distributions on an equal basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the Portfolio Investment.

Nature of Bankruptcy Proceedings. ORIX Advisers may make investments on behalf of a Client in borrowers that subsequently become involved in bankruptcy proceedings. There are several significant risks inherent in the bankruptcy process, including, without limitation, the deleterious effects of litigation between the creditors and the debtor, the duration of the bankruptcy proceeding and the tangible and other intangible costs to the debtor, including the potential adverse effects on personnel, business relationships and operations. There can be no assurance that these factors can be successfully overcome. First, many events in a bankruptcy are the product of contested matters and adversary proceedings and are beyond the control of the creditors. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of the Client's investment. Second, the effect of a bankruptcy filing on a borrower may adversely and permanently affect such borrower. The borrower may lose its

market position and key employees and otherwise become incapable of restructuring itself as a viable entity. If for this, or any other reason, the bankruptcy proceeding is converted to a liquidation, the liquidation value of the borrower may not be equal to the liquidation value that was believed to exist at the time the Investment was made. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on the investment can be adversely affected by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court and until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. For example, if a proceeding involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to administrative costs. Fifth, bankruptcy law permits the classification together of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that ORIX Advisers influence with respect to the class of securities in which it has made an investment on behalf of the Client can be lost by increases in the number and amount of claims in that class or by different classification and treatment. Sixth, in the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. Seventh, especially in the case of investments made prior to the commencement of bankruptcy proceedings, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions. Eighth, certain claims that have priority by law (for example, claims for taxes) may be quite significant. Ninth, in cases where they have exercised de facto control over a bankrupt issuer, indirect owners and lenders have been held liable with the bankrupt issuer as a "single employer" for violations of the federal WARN Act.

Subordinated Claims. Even though ORIX Advisers structures certain of its Clients' investments as senior loans, if a Portfolio Investment were to go bankrupt, depending on the facts and circumstances, including the extent to which ORIX Advisers provided managerial assistance to that Portfolio Investment, a bankruptcy court might recharacterize a Client's debt investment and subordinate all or a portion of its claim against the Portfolio Investment to that of other creditors. A Client could also be subject to lender liability claims for actions taken by ORIX Advisers with respect to a Portfolio Investments business, particularly if ORIX Advisers has rendered significant managerial assistance to the Portfolio Investment or exercises control over the Portfolio Investment.

Lender Liability and Equitable Subordination. A number of judicial decisions in the United States have upheld the right of borrowers to pursue claims against lending institutions and others on the basis of various evolving legal theories (collectively termed "lender liability"), which may, among other remedies, result in equitable subordination as described in more detail below. Generally, lender liability is founded upon the premise that a lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower that creates a fiduciary duty owed to the borrower or its other creditors or shareholders. Under common law principles in the United States that in some cases form the basis for lender-liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court can elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). ORIX Advisers and the seller, however, do not intend to engage in conduct that would form the basis for a successful cause of action for lender liability, including the equitable subordination doctrine. However, because of the nature of the debt obligations, the seller could be subject to claims from creditors of a borrower that debt obligations of such borrower with respect to the loan should be equitably subordinated

or that the lender should have lender liability. In such a case, the value of the Client's investment with respect to the loan could be materially adversely affected.

The preceding discussion regarding lender liability is based upon principles of US federal and state laws. With respect to investments in a non-US issuer, laws of certain non-US jurisdictions can also impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that might be analogous to those described above under US federal and state laws.

Structural Subordination. A borrower to which an affiliate of ORIX Advisers extends a loan can own some or all of its assets through subsidiaries, which can be pledged in favor of the senior lenders to such subsidiaries. Any proceeds in the case of a foreclosure by a senior lender to, a winding up of or a liquidation of such a subsidiary must first be used to cover claims of the senior lenders to such subsidiary. Other creditors also can have claims to the assets of such subsidiary, which claims can be senior to, *pari passu* with, or subordinate to, the claims of the borrower and/or the applicable affiliate of ORIX Advisers. As a result, such affiliate can fail to realize any proceeds from the sale or the liquidation of any such subsidiary's assets in the case of a foreclosure, winding up or liquidation of, or a similar event with respect to, such subsidiary.

Taking Possession of Underlying Collateral. An affiliate of ORIX Advisers could take possession of collateral including, without limitation, an asset or business, through a purchase or foreclosure action. There can be no assurance that such affiliate, ORIX Advisers or any management team established by ORIX Advisers will be able to successfully operate, hold or maintain the collateral, or that the Client will be able to profit from its investment in such collateral.

Variable and Floating Rate Instruments. The interest rate on a floating rate debt instrument ("floater") is a variable rate which is tied to another interest rate, such as the prime rate or another recognized benchmark rate (e.g., SOFR). The interest rate on floaters resets periodically, typically monthly or every three months. Because of the interest rate reset feature, floaters provide Clients with a certain degree of protection against rises in interest rates, although Clients will also participate in declines in interest rates (although ORIX Advisers may attempt to mitigate risks of declines in interest rates by using minimum rate features).

Investments in Equity Securities Generally. Although equity strategies will generally not be a large portion of Client investments due to the nature of the Investment Teams investment strategies, Clients from time to time hold investments in equity securities and equity security-related derivatives. For example, investment in equity securities could arise in connection with a Client's debt investment opportunities and could be accompanied by "equity-kickers" or warrants, as well as in the form of equity investments. In addition, a Client could be forced to accept equity in certain circumstances. Investments in equity securities of small or medium-sized market capitalization companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies could have greater price volatility. A Client could suffer losses if it invests in equity instruments of issuers whose performance diverges from ORIX Advisers expectations or if equity markets generally move in a single direction and a Client has not hedged against such a general move. A Client also could be exposed to risk that issuers will not fulfill contractual obligations such as, in the case of private placements, registering restricted securities for public resale. In addition, equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. Holders of equity securities could be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring. Additionally, while the ORIX Advisers investment professionals of certain investment teams have had extensive prior experience relating to debt investments, the team does not have extensive experience managing equity investments.

Issuer/Borrower Fraud. Of paramount concern in certain types of investments (e.g., loan investments) is the possibility of a material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness could adversely affect the valuation of the collateral underlying the loans or adversely affect the ability of the Client to perfect or effectuate a lien on the collateral securing the loan. In certain instances, ORIX Advisers and/or Clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to Clients might be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment (as discussed more below).

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.

Creditors' Committee and/or Board Participation. In connection with some of the investments, Clients may, but are not obligated to, seek representation on official and unofficial creditors' committees and/or boards (or comparable governing bodies) of Portfolio Investments. While such representation may enable ORIX Advisers to enhance the value of the investments, it may also prevent a Client from disposing of the investments in a timely and profitable manner, because serving on a creditors' committee increases the possibility that such Client will be deemed an "insider" or a "fiduciary" of the Portfolio Investment. If ORIX Advisers concludes that its obligations owed to the other parties as a committee or group member conflict with their duties owed to Clients, ORIX Advisers may resign from that committee or group, and Clients may not realize the benefits, if any, of participation on the committee or group. If representation on a creditors' committee or board causes a Client or ORIX Advisers to be deemed an affiliate or related party of the Portfolio Investment, the securities or other positions held by such Client may become restricted and not freely tradable. Participation on a creditors' committee and/or board representation may also subject a Client to additional liability to which it would not otherwise be subject as an ordinary course, third-party investor. Clients will indemnify ORIX Advisers, or any other person designated by ORIX Advisers, for claims arising from such board and/or committee representation, which could adversely affect the return on the investments. Clients will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to such Portfolio Investments but changes in circumstances could produce adverse consequences in particular situations.

Licensing Requirements. Certain federal, state, local banking and/or other regulatory bodies or agencies in or outside the United States require Clients and/or certain ORIX Advisers affiliates to obtain licenses or authorizations to engage in many types of investment activities, including the types of investment activities contemplated by Clients. It may take a significant amount of time and expense to obtain such licenses or authorizations and Clients may be required to bear the cost of obtaining such licenses and authorizations. There can be no assurance that any such licenses or authorizations would be granted or, if granted, whether any such licenses or authorizations would impose restrictions on Clients. Such licenses may require the disclosure of confidential information about Clients, investors or their respective affiliates, including financial information and/or information regarding officers and directors of certain significant investors. Clients may not be willing or able to comply with these requirements. Alternatively, ORIX Advisers is incentivized to structure certain potential investments in a manner that would not require such licenses and authorizations, although such transactions may be inefficient or otherwise disadvantageous for Clients and/or any relevant Portfolio Investment. The inability of Clients, ORIX Advisers or its affiliates to obtain necessary licenses or authorizations, the structuring of an investment in an inefficient or otherwise disadvantageous manner, or changes in licensing regulations, could adversely affect the Clients' ability to implement their investment program and achieve their intended results. Neither ORIX Advisers nor any of its affiliates is responsible for a SMA Clients' obligation to obtain a license or for advising such SMA Client on the need for any license. Each SMA Client is solely responsible for making that determination regarding the need for a license based on their own unique and specific facts and circumstances.

Reliance on Company Management. ORIX Advisers and its affiliates generally will seek to monitor the performance of investments in operating companies either through interaction with the board of directors of the applicable company and/or by maintaining an ongoing dialogue with the company's management team. However, Clients generally will not be in a position to control any issuer by investing in its securities and the Portfolio Company's management will be primarily responsible for the operations of the company on a day-to-day basis. Although it is the intent of Clients to invest in companies with strong management teams, there can be no assurance that the existing management team, or any new one, will be able to operate the company successfully. In addition, Clients are subject to the risk that an issuer in which it invests may make business decisions with which Clients disagree and the management of such Portfolio Company, as representatives of the common equity holders, may take risks or otherwise act in ways that do not serve the interests of the investors, including Clients.

Investing in Loans Involves Particular Risks. The risks of loans include (among others): (i) limited liquidity and secondary market support; (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service; (iii) the declining creditworthiness and potential for insolvency of the borrower of the loan during period of economic downturn; (iv) the obligor can be a small or mid-size company representing only local or regional interests; (v) the possibility of a reduction in the spread over the applicable floating rate index if the borrower reduces its leverage; (vi) prepayment (reinvestment risk); and (vii) if subordinated, subordination to the prior claims of other loans or senior lenders. Loans are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and adversely affect the value of outstanding loans and the ability of the borrowers to repay principal and interest.

The default history for loans is limited, actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. Investments in loans are also subject to interest rate risk and reinvestment risk. Prepayments of loans in a Client's portfolio are likely to be made during any periods of declining interest rates. Prepayments would generally force the Client to replace such loans with lower-yielding investments. Furthermore, loans typically provide that the applicable interest rate may be computed by reference to any of several base indices, at the option of the obligor. The interest rates of the secured notes generally are calculated by reference to three-month SOFR as an index.

In addition to credit risk, corporate loans rated below investment-grade generally have greater liquidity, market value, interest rate, reinvestment and certain other risks than securities of higher-rated corporate issuers. These risks could be exacerbated to the extent that any one portfolio is concentrated in one or more particular types of loans. Prices of the loans may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry and the financial condition of the obligors of the loans. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of collateral obligations are domiciled or operate and the possibility of increased volatility in financial markets could adversely affect the value and performance of the collateral obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market. Future periods of uncertainty in the U.S. economy and the possibility of increased volatility and default rates in the non-investment grade sector may further adversely affect the price and liquidity of non-investment grade loans in this market.

Obligor of below investment-grade loans may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors located in non-U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors' inability to meet specific projected business forecasts or the unavailability of financing. Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities.

A non-investment grade loan or other debt obligation or an interest in a non-investment grade loan or other debt obligation is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. Such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. In addition, because of provisions on confidentiality of information, the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to the market for corporate bonds. The unique nature of loan documentation also creates a complexity in negotiating any secondary market purchase or sale which does not exist, for example, in the corporate bond market. It is highly unlikely the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In addition, the issuer may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan.

Fraudulent Conveyances and Voidable Preferences by Issuers. Under U.S. legal principles, in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of securities (including a bankruptcy trustee), if a court were to find that the issuer did not receive fair consideration or “reasonably equivalent value” for incurring the obligation or for granting security, and that after giving effect to such obligation or such security, the issuer (a) was insolvent, (b) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate and avoid, in whole or in part, the obligation underlying an investment of Clients as a constructive fraudulent conveyance. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply to determine whether the issuer was “insolvent” after giving effect to the incurrence of the obligation in which the Client invested or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to such incurrence.

In addition, it is possible a court may invalidate, in whole or in part, the indebtedness underlying an investment of a Client as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the obligor in satisfaction of such indebtedness. Moreover, in the event of the insolvency of a Portfolio Investment, payments made on its indebtedness could be subject to avoidance as a “preference” if made within a certain period (which may be as long as one year) before the Portfolio Investment becomes a debtor in a bankruptcy case.

Even if Clients do not engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance or preference law, there can be no assurance as to whether any lending institution or other party from which the Clients may acquire such security, or any prior holder of such

security, has not engaged in any such conduct (or any other conduct that would subject the obligations under the security to disallowance or subordination under insolvency laws) and, if it did engage in such conduct, as to whether such creditor claims could be asserted in a US court (or in the courts of any other country) against a Client so that such Client's claim against the issuer would be disallowed or subordinated.

Prepayment Risk. Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon and without any additional prepayment fee or penalty. The rate of prepayments, refinancings, amortization, defaults and recoveries with respect to Loans are influenced by various factors including: (i) changes in obligor or property performance and requirements for capital; (ii) the level of interest rates and the shape of the yield curve; (iii) the availability of credit being extended and/or credit underwriting standards applied in the commercial and/or real estate lending industries; (iv) natural disasters such as hurricanes, earthquakes, floods or other natural disasters, which could result in uninsured losses; and (v) changes in the overall economic environment.

ORIX Advisers cannot predict the actual rate of prepayments, refinancing, accelerated amortization or defaults and recoveries which will be experienced with respect to the loans held by Clients. Consequently, there exists a risk that loans acquired by a Client at a price greater than par could experience a capital loss as a result of such a prepayment. Any inability of ORIX Advisers to reinvest payments or other proceeds in loans with comparable interest rates in an expedient manner could result in a Client realizing a return that is less than the return the Client would have realized with respect to the prepaid loan had such loan been held to maturity. There is no assurance that a Client will be able to reinvest proceeds in loans with comparable interest rates or (if it is able to make such reinvestments) as to the length of any delays before such investments are made. In addition, certain of the loans could include excess cash flow capture and other mandatory prepayment provisions which can accelerate the amortization of the applicable loans.

Maturity Repayment Risk. Generally, the loans owned by Clients will have most or all of the principal due at maturity. The ability of an obligor to make such a large payment upon maturity typically depends upon its ability either to refinance the loan prior to maturity, generate sufficient cash flow to repay the loan at maturity or to engage in a sale of all or a portion of the business securing a loan. The ability of an obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor or property, the marketability of the collateral (if any) securing such loan, the operating history of the related property, business, tax laws and the prevailing general economic conditions. Consequently, such obligor might not have the ability to repay the loan at maturity and, unless it is able to refinance such debt, it could default on payment at maturity, which could result in losses to Clients.

Risk of Limited Number of Investments. In certain instances, ORIX Advisers will make a limited number of Investments on behalf of a Client and such Investments generally will involve a high degree of risk, poor performance by even a single Portfolio Investment could severely affect the total returns to the Client. Other than as set forth in investment guidelines agreed with a Client (the "Investment Guidelines"), a Client has no assurance as to the degree of diversification of Portfolio Investments. To the extent ORIX Advisers concentrates Portfolio Investments in a particular issuer, security or geographic region, the Client's portfolio of Portfolio Investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return of a Client may be adversely affected by the unfavorable performance of one or a small number of Portfolio Investments. There are no assurances that any of the Portfolio Investments will perform well or even return capital.

Non-U.S. Investments. Certain non-U.S. investments involve risks and special considerations not typically associated with U.S. investments, and investing outside the U.S. may involve greater risks than investing in the U.S. These risks include, but are not limited to: (i) less publicly available information; (ii) varying

levels of governmental regulation and supervision; (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws; (iv) different accounting, auditing and financial reporting standards, practices and requirements compared to those applicable to U.S. companies; (v) fluctuations in currency exchange rates; (vi) the risk of nationalization or expropriation of assets or confiscatory taxation; (vii) social, economic and political uncertainty, including war and revolution; (viii) dependence on exports and the corresponding importance of international trade; (ix) greater price fluctuations and market volatility; (x) less liquidity and smaller capitalization of securities markets; (xi) higher rates of inflation; (xii) controls on, and changes in controls on, non-U.S. investment and limitations on repatriation of invested capital and on the Client's ability to exchange local currencies for U.S. dollars; (xiii) less extensive regulation of the securities markets; (xiv) longer settlement periods for securities transactions; and (xv) less developed corporate laws regarding fiduciary duties and the protection of investors. Non-U.S. markets may be smaller, less liquid, and subject to greater influence by adverse events generally affecting the market. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties.

Investments or liabilities of a Client may be denominated in currencies other than the US dollar, and hence the value of such investments, or the amount of such liabilities, will depend in part on the relative strength of the US dollar. Clients may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and US dollar, which can impact the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities.

No Control of Portfolio Companies/Investments. The Investment Teams do not expect to control, nor do they expect their Clients will control, Portfolio Companies/Investments, even though loan agreements may contain certain restrictive covenants that limit the business and operations of certain Portfolio Investments. The Investment Teams also do not intend that its Clients will maintain a control position to the extent they own equity interests in any Portfolio Investment. As a result, Clients are subject to the risk that a Portfolio Investment in which it invests may make business decisions with which the Investment Team's disagree, and the management of such Portfolio Investment, as representatives of the holders of the Portfolio Investments common equity, may take risks or otherwise act in ways that do not serve Client's interests as debt investors. Due to the lack of liquidity of the investments that will typically be held by Clients, the Investment Teams may not be able to dispose of investments in the event it disagrees with the actions of a Portfolio Investment and Clients may therefore suffer a decrease in the value of their investments.

Liquidity Risk. The investments made by the Investment Teams are expected to be illiquid, with no public market available for their sale, and in many cases will be held to maturity. The majority of loans owned by Clients are generally not traded in organized markets but are sometimes traded by banks and other institutional investors engaged in loan syndications. Historically the trading volume in the market for loans has been small relative to the high-yield debt securities market. In addition, the private loan market is less liquid and, unlike more broadly syndicated loans, has no established trading market. Given the limited trading market for loans, and the uncertainty as to their fair value at any point in time, if a Client seeks to sell a loan it might not be able to do so at a favorable price or at all. Equity investments, including the warrants received in connection with loans, are typically only able to be exercised or sold for cash proceeds in connection with the sale of a company or upon or after an initial public offering (subject to additional time requirements for lockup periods and SEC registration requirements), which in both cases may never occur or may take place several years past the maturity of a loan made to the borrower.

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.

Credit Ratings. The ratings that may be assigned by various credit rating agencies to loans or other debt instruments that may be acquired by Clients, if any, reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from such credit rating agencies. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of such credit rating agency, circumstances so warrant. Ratings may be wrong or ratings agencies may not adjust their ratings in real time.

Syndication of Co Investments. From time to time, Clients may make an investment with the expectation of offering a portion of its interests therein as a co-investment opportunity to investors and/or other third-party investors. There can be no assurance that (i) such Client will be successful in syndicating such co-investment, in whole or in part; (ii) the closing of such co investment will be consummated in a timely manner; (iii) the syndication will take place on terms and conditions that will be preferable for such Client or (iv) expenses incurred by such Client with respect to such syndication will not be substantial. If such Client is not successful in syndicating such co investment, in whole or in part, such Client may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make such Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Client which is not syndicated to co-investors as originally anticipated could significantly reduce such Client's overall investment returns

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 investors' investments to risk of loss.

Investments by ORIX USA. ORIX Advisers has been, and will continue to make, investments for ORIX USA as well as for unaffiliated clients. ORIX USA has certain internal investment restrictions relating to the diversification of its investment portfolio. ORIX USA does not currently have a fixed capacity for investments in certain strategies pursued by ORIX Advisers, but additional investments are subject to approval by ORIX USA's investment committee. ORIX USA's capacity for certain strategies will change over time as its current investments are realized or otherwise disposed of or if allocation changes. There is no assurance that ORIX USA will have the capacity to make certain investments at any time. To the extent that a Client requires participation in loans by both the Client and ORIX USA or Other Clients, such capacity constraints of ORIX USA may limit the pace of deployment of capital for a Client. Specifically, this risk will be particularly significant when ORIX USA is a significant investor or the only other investor in a strategy. In general, when ORIX USA is a significant or the only investor in a strategy, limits on investments by ORIX USA or decisions by ORIX USA not to participate in investments may significantly constrain ORIX Advisers' ability to make investments on behalf of its Clients, particularly in opportunities involving larger loans. These restrictions could prevent the Client from participating in attractive investment opportunities in which it would have otherwise participated without such restrictions.

Risks Relating to the Growth Capital Investment Strategy. In addition to the general risks noted above, the following additional risks are applicable to the Growth Capital investment strategy:

Growth Capital Track Record and Team Composition. Growth Capital has employed its investment strategy from its inception in January 2002 as a part of ORIX USA to the date of this Brochure (the “Track Record Period”) in sourcing, diligencing, approving and managing certain balance sheet investments for ORIX USA (the “Growth Capital Strategy”). Growth Capital joined ORIX Advisers and commenced operations as a part of ORIX Advisers’ asset management business in March 2022. While the Growth Capital Strategy has been employed throughout the Track Record Period, it is important to note that the composition of the Growth Capital team has varied throughout such time. Certain of the team members that may have contributed materially to the performance and history of the team are no longer with the team (including former team heads and co-heads). Jeff Bede, the current team head, joined ORIX USA in August 2007, assumed the role as co-head of the team in 2013 and then transitioned to Growth Capital team head in 2016.

Management of the Investment Strategy and Processes. The Growth Capital team has generally been involved in the entire “life cycle” of each investment from pre-deal origination such as due diligence (e.g., initial deal qualification diligence), deal negotiation (e.g., term sheet negotiation), internal approval and documentation (e.g., required approval memos and legal documentation) to post-deal management, monitoring and loan amendments. However, Growth Capital’s investment process has been materially supported by other ORIX USA employees and departments to a significant extent, including support in sourcing, negotiations, due diligence (including both pre-investment and post-investment diligence, such as loan amendment diligence) and post-investment monitoring. In addition, loans have generally required the approval of ORIX USA and the ORIX USA Investment Committee. ORIX USA’s approval authority, as well as support from, and interaction of the Growth Capital team with, ORIX USA throughout the investment process likely impacted which loans were presented for final approval as well as loan terms, due diligence priorities, loan amendments and the overall investment supervision of the portfolio. In addition, over the long investment history of Growth Capital, certain ORIX USA departments have provided support services to Growth Capital including loan servicing, loan workout assistance and legal and borrower referrals. In the area of loan defaults or other credit risk events (e.g., workout situations), Growth Capital would typically take the lead with respect to management of the loan and ORIX USA would provide input to the Team. In certain more serious cases of non-performing loans (e.g., primarily foreclosure or bankruptcy), the ORIX USA workout team would take the lead in efforts to mitigate losses and preserve investment value. The Team’s process going forward will continue to involve business support from, and interaction with, ORIX USA that has existed historically (including, subject to applicable law, retaining ORIX personnel to assist in certain aspects of the investment process).

Risk of Investment in Growth-Stage Companies. Growth Capital invests Growth Capital Client assets in growth-stage companies which often have relatively limited operating histories. Generally, very little public information exists about these companies, and Growth Capital Clients will be required to rely on the ability of Growth Capital to obtain adequate information from management and other sources to evaluate the potential returns from investing in loans to these companies. Growth-stage companies may have narrow product lines and small market shares, compared to larger, established publicly-owned firms, which tend to render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns. The revenues, income (or losses) and valuations of growth-stage companies in Target Industries can and often do fluctuate suddenly and dramatically. For these reasons, debt of growth-stage companies, if rated by one or more ratings agencies, would typically be rated below “investment grade,” which refers to debt rated by ratings agencies below the four highest rating categories. Growth-stage companies may also have more limited access to capital and higher funding costs. These could impair cash flows or result in other events, such as bankruptcy, which could limit such Portfolio Companies’ ability to repay obligations to lenders and may materially adversely affect the return on, or the recovery of, Growth Capital

Clients' investments in these businesses. Growth Capital intends to structure investments to include terms that mitigate these risks such as (i) financial performance and liquidity covenants, (ii) security interests in assets and (iii) rapid amortization (following initial interest-only periods) which assist in identifying earlier poor operating performance and protect value. However, there can be no assurance that these features will prevent or mitigate any adverse effect on a Growth Capital Client's investments.

Risk of Investments in Technology-Related Companies. Growth Capital invests a significant proportion of Clients' assets in loans to technology-related companies. Technology-related industries are generally characterized by volatile business cycles and intense competition. Overcapacity in technology-related industries, together with cyclical economic downturns, including in connection with overall decreases in corporate spending on enterprise technology, have historically resulted in substantial decreases in the market capitalizations of many technology-related companies, including the time periods of 2000-2002 and 2008-2010. Such decreases in market capitalization may occur again, and any future decreases in technology-related company valuations may be substantial and may not be temporary in nature. Therefore, Portfolio Investments in which Growth Capital invests may face considerably more risk of loss than do companies in other industry sectors. Because of rapid technological change, the average selling prices of products and some services provided by technology-related companies have historically decreased over their productive lives. Such decreases in selling prices may adversely affect the operating results of these companies. If Growth Capital Clients are invested in Portfolio Companies that experience such decreases, loans made by Growth Capital Clients could be materially and adversely affected.

Healthcare Sector Risk. Growth Capital can invest Growth Capital Clients' assets in loans to companies in the healthcare sector, (and, more specifically, in companies in the healthcare sector that emphasize technology). Changes in healthcare or other laws and regulations, or the enforcement or interpretation of laws or regulations, may occur that increase compliance and other costs of doing business, require significant systems enhancements, or render products or services less profitable or obsolete, any of which could have a material adverse effect on results of operations of healthcare companies. There has also been an increased political and regulatory focus on healthcare laws in recent years, and new legislation arising out of such increased attention could have a material effect on the business and operations of some Portfolio Investments.

In addition, because of the continued uncertainty surrounding potential changes to U.S. federal law regulating the healthcare industry (such as the Affordable Care Act), including the potential for further legal challenges or repeal of existing legislation, Growth Capital cannot quantify or predict with any certainty the likely impact of legislation on Portfolio Investments. It is also anticipated that Congress, state legislatures, and third-party payors may continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the healthcare delivery system. There can be no assurance as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any potential legislation on Portfolio Investments.

Commercialization of Technologies. The value of an investment in a company may decline if such company is not able to commercialize its technology, products, business concepts or services. Additionally, although some companies may already have a commercially successful product or product line at the time of the extension of a loan, technology-related products and services often have a more limited market or lifespan than products in other industries. The ultimate success of these companies often depends on their ability to continually innovate in increasingly competitive markets. If they are unable to do so, returns could be adversely affected, and such companies' ability to service debt obligations over the life of a loan could be impaired. Companies may be unable to successfully acquire or develop new technologies, and the intellectual property they currently hold may not remain viable. Even if companies are able to develop commercially viable products, the market for new products and services is highly competitive and rapidly

changing. Neither ORIX Advisers nor the companies in which investments are made will have any control over the pace of technology development.

Risks Relating to the Asset Based Finance and Structured Credit Investment Strategies. In addition to the general risks noted above, the following additional risks are applicable to the Asset Based Finance and Structured Credit investment strategies:

Risks of Investments in Special Situations. Certain Asset Based Finance Clients, subject to their Governing Documents, may seek to invest in “event-driven” and other special situations, such as recapitalizations, spinoffs, corporate and financial restructurings, reorganization, bankruptcy, litigation, other liability impairments, turnarounds, management changes, consolidating industries, corporate control transactions, corporate events and other catalyst-oriented strategies. Asset Based Finance believes these types of investments often have limited downside risk relative to their current valuations. Asset Based Finance could, however, be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to the Asset Based Finance Client. Investments in such securities often are difficult to analyze or could have limited trading histories or in-depth research coverage. Although Asset Based Finance intends to utilize appropriate risk management strategies, such strategies cannot fully insulate a Asset Based Finance Client from the risks inherent in its planned activities. Moreover, in certain situations, Asset Based Finance could be unable to, or could choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

Exit Financing. Certain Asset Based Finance Clients may invest in companies that are in the process of exiting, or that have recently exited, the bankruptcy process. Post-reorganization securities typically entail a higher degree of risk than investments in securities that have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If Asset Based Finance’s evaluation of the anticipated outcome of an investment situation should prove incorrect, the Asset Based Finance Client could experience a loss.

Undervalued Assets. Asset Based Finance Clients may invest in undervalued debt investments and other assets as part of their investment strategy. The identification of investment opportunities in undervalued debt investments and other assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial or complete losses. Asset Based Finance Clients may incur substantial losses related to assets purchased on the belief that they were undervalued by their sellers, if they were not in fact undervalued at the time of purchase. In addition, Asset Based Finance Clients may be required to hold such assets for a substantial period of time before realizing their anticipated value and there is no assurance that the value of the assets would not decline further during such time. Moreover, during this period, a portion of the Asset Based Finance Clients’ assets would be committed to those assets purchased, thus preventing Asset Based Finance Clients from investing in other opportunities. In addition, Asset Based Finance Clients may finance such purchases with borrowed funds and thus will have to pay interest on such borrowed amounts during the holding period.

Non-performing Debt. It is anticipated that certain debt instruments the Asset Based Finance Clients might purchase will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these instruments.

Preferred Securities Risk. Certain Asset Based Finance Clients may invest in preferred stock. Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference

to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. Preferred stock is subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

Distressed and High-Yield Securities. Certain Asset Based Finance Clients can invest in securities issued by, or other indebtedness of, companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, having negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Investments of this type are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace, and further, may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. The investments can result in significant or even total losses. In addition, the markets for distressed and high-yield securities are frequently illiquid. The market prices of distressed and high-yield assets are subject to abrupt and erratic market movements and above-average price volatility, and the spreads between the bid and asked prices of such assets may be greater than those prevailing in other markets. It may take a number of years before the market price of the assets reflects their perceived intrinsic value, if they ever do. Distressed assets also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments and lender liability, as well as bankruptcy and other judicial courts' power to disallow, reduce, subordinate or disenfranchise particular claims.

Structured Credit Track Record. Structured Credit has employed its investment strategy from its inception in January 2014 as a part of ORIX USA to the date of this Brochure (the "Track Record Period") in sourcing, diligencing, approving and managing certain balance sheet investments for ORIX USA (the "Structured Credit Strategy"). Structured Credit joined ORIX Advisers and commenced operations as a part of ORIX Advisers' asset management business in January 2022. While the Structured Credit Strategy has been employed throughout the Track Record Period, it is important to note that the composition of the Structured Credit team has varied throughout such time.

Structured Credit's Management of the Investment Process and Strategy. Structured Credit transitioned to ORIX Advisers in January 2022 and, as part of that process, Structured Credit will conduct all investment advisory and other investment-related functions as part of ORIX Advisers. Notwithstanding the similarities in investment strategy for Structured Credit's prior and new mandates, certain historic business support and functions (including collaborations with other ORIX USA employees) and the investment oversight and approval processes (when they were ORIX USA employees, (including the ORIX USA Investment Committee protocol)) will not continue in the same way at ORIX Advisers. Investments have generally required the approval of ORIX USA and the ORIX USA Investment Committee. ORIX USA's approval authority, as well as support from, and interaction of Structured Credit with, ORIX USA throughout the investment process likely impacted which investments were presented for final approval. In addition, over the investment history of Structured Credit, certain ORIX USA departments have provided support services to Structured Credit. The Team's process going forward will continue to involve business support from, and interaction with, ORIX USA that has existed historically (including, subject to applicable law, retaining ORIX personnel to assist in certain aspects of the investment process).

Structured Credit Instruments. Structured credit instruments, including collateralized debt obligations, collateralized loan obligations, collateralized bond obligations, collateralized mortgage obligations, principal only and interest only strips and other similar securities may be fixed pools or may be "market

value” or managed pools of collateral, including commercial loans, high yield debt, structured securities and derivative instruments relating to debt. The pools are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The senior tranches, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over treasuries. Lower rated tranches represent lower degrees of credit quality and pay higher spreads over treasuries to compensate for the attendant risks. Structured securities are extremely complex and are subject to risks related to, among other things, changes in interest rates, the rate of defaults in the collateral pool, the exercise of redemption rights by more senior tranches and the possibility that a liquid market will not exist when the Clients seek to sell their interest in a structured security.

Commercial Mortgage-Backed Securities (“CMBS”). CMBS are securities backed by obligations (including participation interests in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, land, industrial or warehouse properties, hotels, apartments, cooperatives, nursing homes, and senior living centers. CMBS may be collateralized by one asset, a portfolio of assets, related assets or a portfolio of loans to unrelated borrowers. CMBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior, and subordinated classes. CMBS securities may be fixed or floating, rated or unrated and domestic or foreign based, whether by issuer, properties, collateral, or otherwise. As the total broader market is smaller than the RMBS and ABS (each as defined below) markets, CMBS securities values may be materially influenced by changes in larger and unrelated markets.

Risks affecting commercial real estate investments include general economic conditions, the condition of financial markets, political events, developments or trends in any particular industry, and changes in prevailing interest rates. The cyclicity and leverage associated with commercial real estate-related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. In addition, commercial mortgage loans generally are nonrecourse loans, lack standardized terms, tend to have shorter maturities than residential mortgage loans, and may provide for the payment of all or substantially all of the principal only at maturity. In some cases, the properties securing commercial mortgage loans may be subject to additional debt, either senior, *pari passu*, or subordinate, that may affect the related borrower’s ability to refinance the loan or result in reduced cash flow and deferred maintenance. Additional risks are presented by the type and use of a particular commercial property. For instance, commercial properties that operate as hotels present special risks to lenders and CMBS securities holders because they are often operated pursuant to franchise management or operating agreements which may be terminable by the franchisor or operator. In addition, the transferability of a hotel’s operating, liquor, and other licenses upon transfer of a hotel, whether through purchase or foreclosure, is subject to local law requirements. As another example, retail properties are affected by retail trends, including e-commerce. Multifamily properties are affected by demographic trends of new housing supply and the availability of governmental financing. Senior housing has significant governmental regulations which affects ownership, licensing, operations, maintenance, and financing. These examples are illustrative of the factors and circumstances that increase the risks involved with commercial real estate investing and lending but are in no way intended to represent a complete list of risks related to commercial real estate sub-sectors or the CMBS market as a whole. Commercial properties tend to be unique and are more difficult to value than single family residential properties. Commercial lending is generally viewed as exposing an investor to a greater risk of loss than residential lending since it typically involves larger loans to a single borrower or related borrowers than residential lending.

Residential Mortgage-Backed Securities (“RMBS”). Investments in residential mortgage-backed securities present risks due to the unique economic conditions surrounding them, including increased interest rates and lower home prices. In the past, residential mortgage loans have experienced, and may

again in future periods, experience increased rates of delinquency, foreclosure, bankruptcy and loss. In addition to the risks shared with asset-backed securities, commercial mortgage-backed securities may bear significantly greater price and yield volatility than traditional fixed-income securities. During periods of declining interest rates, prepayments can be expected to accelerate, and such prepayments may shorten these securities' weighted average lives and may change their projected return. Conversely, in a rising interest rate environment, a declining prepayment rate may extend the weighted average lives of these securities which generally would cause their values to fluctuate more widely in response to changes in interest rates and credit spreads.

In addition, residential mortgage loans underlying RMBS are subject to various federal and state laws, public policies, and principles of equity that protect consumers, delay foreclosures, or permit or encourage modifications, which could have an adverse effect on the value of a mortgage loan and the corresponding RMBS. Violation of such laws, public policies, and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

Furthermore, it is not expected that RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

Treasury and Agency Bonds. Investments in treasury and agency bonds are subject to the risks of value fluctuation from changing U.S. interest rates as well as market and credit risk associated with the U.S. government. Sovereign bonds are subject to the risks posed by changes in the interest rates and credit and market risk associated with currency and government of their domicile as well as inherent political/government risk.

Broadly Syndicated (Rated) Fixed-Income. Risks in syndicated investments are both asset-specific, as well as dependent on the general credit and interest rate environment. Syndicated Investments tend to be either single-obligor credit instruments or investments linked to pools of obligors. As such, there is exposure to the credit risk of those obligors. Syndicated Investments may be fixed- or floating-rate. As such, there will be price fluctuation based on the prevailing interest rates in the market and/or prevailing spreads to key indices. Potential or actual downgrades of Broadly Syndicated Investments can occur due to reductions in an obligor's ability or perceived ability to perform. Downgrades may result in a reduction in market value. For insurance company "buy and hold" accounts, the mark-to-market risk is partially mitigated by the use of statutory accounting; however, downgrades will result in less capital efficiency for insurance accounts.

Non-Owner-Occupied Mortgage Loans. Investing in non-owner-occupied first lien mortgages is subject to cyclical and other uncertainties. There can be no assurance as to these investments' performance in a weaker market or weakened economy similar to the downturn in 2008-2010. The cyclical and leverage associated with real estate related investments have historically resulted in periods of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. The non-owner-occupied mortgage loans could be secured by or otherwise relate to properties of varying types, geographic locations, owners, tenants, and other factors which could make such investments susceptible to particular types of risks relating to such factors, including local economy, real estate market conditions, special hazards, and competition. The value of commercial real estate, and multi-family buildings in particular, depends significantly on the amount of income it generates (or is capable of generating), which can be affected by many factors including but not limited to tenant mix, success of tenant businesses, property location and condition, competition from comparable types of properties, and real estate tax rates and other operating expenses. Additionally, adverse changes in the real estate market may

increase the probability of loan default as the equity in the property declines. Loans may become non-performing for a wide variety of reasons, including, without limitation, because the mortgaged property is too highly leveraged, the mortgaged property is poorly managed, or because the mortgaged property has a high vacancy rate or is in need of renovation. Such non-performing loans may require a substantial amount of workout negotiations and/or restructuring as described below. In the event of any default under a real estate loan held on behalf of a Client, there is a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the real estate loan, which could have a material adverse effect on the Client's returns. It is possible that it is necessary or desirable to foreclose on some of its real estate loans. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims, and defenses against a lender, including, without limitation, numerous lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. Direct investments in non-owner-occupied mortgages is a "buy and hold" strategy since there is a highly limited secondary market. Insurance companies are ideally suited for this investment strategy – and in particular since the terms of the mortgages are typically less than three years and are therefore highly correlated to the terms of the insurance liabilities (e.g., term MYGA policies), illiquidity is a reasonable trade-off for the yield-return profile of these assets. Many direct investments in non-owner-occupied mortgages will involve rehabilitation or construction elements, which rely heavily on a sponsor's ability to execute its plan for the property. Asset Based Finance seeks to minimize this risk by focusing on experienced sponsors (some of whom have been borrowers in prior transactions to which Asset Based Finance or its sub-advisors were party), initial due diligence (including on the proposed budget and local markets), project monitoring, as well as having general collateral coverage.

Healthcare Loans. Clients invest in asset-based loans to individuals and businesses in the healthcare industry, such as for-profit hospitals, providers in the areas of skilled nursing, assisted living, memory care, home healthcare, physical therapy, healthcare product delivery, and other healthcare-related businesses. Such loans are subject to the risks associated with operating in the healthcare industry. Healthcare facilities are highly regulated by federal, state, and local law. They are subject to numerous factors which can increase the cost of operation, limit growth, and, in extreme cases, require or result in suspension or cessation of operations or otherwise adversely affect the values of the mortgaged properties and the borrowers' ability to repay the related mortgage loans. Such factors include federal and state licensing requirements; facility inspections; rate setting; reimbursement policies; and laws relating to the adequacy of medical care, distribution of pharmaceuticals, use of equipment, staffing, and maintenance of and additions to facilities and services. Any changes in federal, state, or local laws governing healthcare facility operators may also adversely affect a healthcare facility operator's revenues and reimbursement for operating, capital, and property expenses. The failure of an operator to comply with applicable laws, regulations, requirements, rules, policies, and guidelines could lead to the suspension or termination of the operator from the Medicare and/or Medicaid programs or other insurance programs, or the denial of Medicare and/or Medicaid payments for new admissions, which could have serious and adverse effects on the operator's ability to operate the related facility located at the related mortgaged property, and thus severely impair the applicable tenant's ability to pay rent due to the borrower(s) and the borrower(s)' ability to make required payments on the related mortgage loan.

Under applicable federal and state laws and regulations, Medicare and Medicaid reimbursements generally may not be made to any person other than the provider who actually furnished the related material goods and services. Accordingly, in the event of foreclosure on a healthcare property, neither a lender nor other subsequent lessee or operator of the property would generally be entitled to obtain from federal or state governments any outstanding reimbursement payments relating to services furnished at the property prior to foreclosure. Furthermore, in the event of foreclosure, there can be no assurance that a lender or other

purchaser in a foreclosure sale would be entitled to the rights under any required licenses and regulatory approvals. The lender or other purchaser may have to apply in its own right for those licenses and approvals. There can be no assurance that a new license could be obtained or that a new approval would be granted.

Private Corporate Debt. Private corporate debt investments may involve direct or indirect investments in (i) privately negotiated corporate debt investments consisting of loans (primarily secured loans) but also including bonds and other debt instruments, along with associated equity warrants and miscellaneous preferred, subordinated debt and other equity security investments and (ii) certain privately negotiated corporate equity investments (such investments, “Private Corporate Debt”). This strategy targets Private Corporate Debt instruments in a variety of transactions, including leveraged buyouts, refinancings, recapitalizations, acquisitions and later stage growth financings.

Municipal Securities. Municipal securities can be significantly affected by credit risk, political or economic changes, as well as uncertainties in the municipal market related to taxation, changes in interest rates, relative lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets. The yields of municipal bonds depend on, among other things, general money market conditions, conditions in the municipal bond market, size of a particular offering, maturity of the obligation, and credit quality of the issue. Municipal securities are subject to call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. A Client would then lose any price appreciation above the bond’s call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund’s income. Call risk is generally high for long-term bonds. Municipal securities are also subject to extension risk, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. Extension risk is generally higher for long-term bonds.

Limited Partnerships. Limited partnerships are generally managed in accordance with its investment objectives, strategies and guidelines and is not specifically tailored to the individualized needs of any particular investor in it. Investments in limited partnerships may involve a higher level of investment risk, while seeking greater returns than traditional investment products. Limited partnerships may invest in a wide array of instruments depending on their respective investment guidelines and objectives, including but not limited to equity securities, warrants, commercial paper, government securities, municipal securities, options contracts, future contracts and interests in private funds. General risks of investing in limited partnerships include, but are not limited to illiquidity, operational risk, management risk, among others.

Risks Relating to the GP Solutions Strategy. In addition to the general risks noted above, the following additional risks are applicable to the GP Solutions investment strategy:

Limited Operating History. Although the GP Solutions investment professionals have had extensive prior experience relating to financing private equity sponsors, loans and in investments similar to those to be made by GP Solutions Clients, ORIX Advisers does not have a long operating history in managing such assets for third-party clients upon which an evaluation of their prospects can be made.

Minority Equity Interests. Clients invest in minority, non-controlling, equity interests of investment management companies and make passive investments in alternative asset managers and other entities (“Investee Manager”, collectively “Investee Managers”). The existing managers of the Portfolio Investments will retain autonomy over the day-to-day operations and will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and divesting investments made by such private equity and private investment funds. As holders of non-controlling interests, Clients lack

the ability to effect changes in the strategy or operations of these entities, limiting or preventing the creation of any additional value.

Reliance on Management of Private Equity and Private Investment Funds and Underlying Portfolio Companies. While the Investment Team will monitor the performance of the Portfolio Investment, they neither have an active role in the day-to-day management of the Investee Managers in which they invest, nor the opportunity to evaluate specific investments made. Accordingly, returns will primarily depend on the performance and recommendations of the underlying Investee Managers and their ability to recruit and retain qualified management. Any inability of the Investee Managers to successfully manage and operate their company and/or assets could have an adverse impact on performance.

Revenue Participation Rights; Equity Interests. While investments in Investee Managers are expected to offer the opportunity for capital gains, such investments involve a high degree of business and financial risk that can result in substantial losses. These risks include, but are not limited to, risks associated with investments in businesses at an early stage of development with little or no variations in operating results. While ORIX Advisers anticipates making non-controlling investments in Investee Managers, it is possible that third parties (including regulators) will try to impose liability in connection with the operations of Investee Managers. If successful, any such liability could adversely affect the performance of the Portfolio Investment. Interests in Investee Managers may be subordinated in indebtedness or other interests that rank more senior. Such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are made in respect to the Portfolio Investment.

Returns may be largely dependent on management fees generated by the Portfolio Investment, and Investee Managers may not be able to generate adequate management fees and performance fee-related earnings. Certain Investee Managers also have “benchmarks” or “preferred” returns whereby the investment management company does not earn performance-based compensation during the current period, as a result of losses in prior periods (or where current period results did not satisfy such benchmarks or preferred returns), even though the managed investment funds had positive returns in the current period. If an Investee Manager experiences losses (or fails to meet performance benchmarks or hurdles), such Investee Manager will not be able to earn performance-based returns. Returns will also depend on the profitability of Investee Managers who will retain control over the operations, budgets, expenses, compensation and revenues of their respective firms. Managers may make decisions that adversely affect the performance of the Portfolio Investments

Potential Exposure to Claims. While the Investment Team does not intend to acquire controlling positions in the Portfolio Investments, ownership positions through equity interests or revenue interests as well as other rights could potentially lead to exposure to claims by such Portfolio Investment’s other equity holders, clients, creditors and third parties. In addition, Portfolio Investments may accumulate substantial positions in the securities of a specific company. A Portfolio Investment may engage in a proxy fight, become involved in litigation, or attempt to gain control of a company. Under such circumstances, such Portfolio Investment might be named as a defendant in a lawsuit or regulatory action.

Multi-Investment Management Company Approach. While investment in multiple alternative asset management firms may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or if it does, that it will not reduce, rather than increase, potential net profits. Additionally, investment in multiple alternative asset management firms may result in ORIX Advisers having increased exposure with respect to underlying investments as Investee Managers may employ similar investment strategies and make overlapping investments.

Changes in Expected Investment Objectives of Portfolio Investments May be Adverse. Investee Managers may have the ability to change their investment objectives and strategies, and economic and other terms after the Investment Team has made its investment, and such change in the investment objectives and strategies may be adversely different from the objectives currently expected. ORIX Advisers may not have the ability to withdraw investment in such Portfolio Investments and Investee Managers.

Investee Manager Misconduct or Bad Judgment. It will be difficult, and likely impossible for ORIX Advisers to protect against the risk of Investee Manager fraud, misrepresentation, or material strategy alteration. Investee Managers may be motivated to divert or abscond with assets, fail to follow agreed-upon investment strategies, provide false reports of operation, or engage in other misconduct. Underlying investments in which the Client invests are generally private and not registered under federal or state securities law. Moreover, there can be no assurances that the Investee Managers will operate in accordance with applicable laws.

Key Person Risks. Some Investee Managers may consist of only one or a limited number of principals. If the services of such principals become unavailable the Portfolio Investment might sustain losses. Specifically for small and emerging managers, the loss of service of one or more principals, officers or key personnel may be a significantly greater risk than for an established manager.

Underlying Investment Risks. The success of investing in Investee Managers will generally depend on the successful implementation of their respective investment strategies and the alternative assets industry generally. Those strategies are subject to numerous and significant risks and uncertainties, including the risks discussed in Item 8.

Additional Capital. Some Investee Managers may require additional financing and capital contributions to maintain their competitive position or satisfy operational requirements or growth strategies. If the funds provided are not sufficient, Investee Managers may have to raise additional capital at a price unfavorable to existing investors. The availability of capital is generally a function of capital market conditions that are beyond the control of ORIX Advisers. There can be no assurance that Investee Managers will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Clients may be called upon to provide follow-on funding or have the opportunity to provide additional capital to the Investee Manager. There can be no assurance that a Clients will want to make follow-on investments or that it will have sufficient funds or the ability to do so. Any decision to make follow-on investments or inability to make them may have a substantial negative impact on the Investee Manager in need of such an investment and may diminish the Investee Manager's future development and appreciation.

Scrutiny and Regulation of the Private Equity Industry. Discussions continue regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry and alternative asset management industry in general. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on Portfolio Investments, including the ability for Investee Managers to effectively and timely address such regulations, implement operating improvements or otherwise execute their respective investment strategies or achieve investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset management firms) and their investments by various politicians, regulators and market commentators may complicate or prevent efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, Investee Managers may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than they otherwise would have, thus potentially also affecting the number of transactions and returns of the Portfolio Investments.

Risk of Underlying Portfolio Companies Being Limited in their Ability to Make Distributions to Private Equity and Private Investment Funds.

In a number of cases, underlying portfolio companies of private equity or private investment funds will have debt obligations and securities that are senior to those held by such private equity or private investment funds. Debt covenants and terms of senior securities may restrict or prohibit an underlying portfolio company from making distributions to the private equity or private investment funds. As a result, such private equity or private investment funds may not have sufficient resources to meet debt service and payment obligations under debt issued to the client fund or to fund required redemptions of preferred equity held by the fund client.

Private Equity and Private Investment Fund Governance Rights. Although certain governance rights, such as the right to appoint a representative to the limited partner advisory committee of such private equity and investment funds, with respect to the Investee Managers can be negotiated, there can be no assurance ORIX Advisers will be successful in such negotiation or exercise any amount of influence through any advisory committee position over any private equity or private investment fund or underlying portfolio company, or that determinations or recommendations will prevail. Furthermore, the ability to appoint a member to a private equity or private investment fund's limited partner advisory committee may lead to increased risk of liability at the private equity or private investment fund or underlying portfolio company level, which may result in potential indemnification payments, thereby decreasing returns.

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, lending 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 a Client in or pursuant to its Governing Documents, or consistent with applicable law. ORIX Advisers and its affiliates provide loan servicing, agent, administrative and other services with respect to debt issued by Portfolio Investments of Clients and receive servicing fees, agent fees, special servicing fees and payments for such services which are not subject to the Management Fee offset provisions. Any amounts received by ORIX Advisers or its affiliates attributable to loan servicing fees, special servicing fees, agent fees and administrative fees with respect to debt issued by any Portfolio Investment of a Client shall not so reduce the Management Fee (or otherwise be allocable to the Client). Certain services agreements between ORIX Advisers, an ORIX USA Group entity, and certain affiliates, including NXT Capital Group, LLC, and Lument Real Estate Capital, LLC document such arrangements.

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 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 agency services for certain Funds 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 Clients invest. 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 the Clients' 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. Furthermore, any new investment opportunity, whether for a client of ORIX Advisers or its other affiliated investment advisers or for an ORIX USA proprietary account, requires a pre-clearance review by the OCU Risk Screening Group ("RSG") prior to submission for approval to the relevant investment committee. RSG applies consistent credit metrics when reviewing investments and will not take into consideration a Client's interests when reviewing an investment for a Client. As a result, RSG may have an incentive to pass on a particular investment because of the interests of ORIX USA, as opposed to the interests of a specific Client. In certain cases, ORIX USA Group proprietary accounts will warehouse or season loans and/or securities for potential sale to Clients. ORIX USA Group has no obligation to sell or transfer assets to Clients or if sold to one Client or more Clients has no obligation to sell to all Clients. Such determinations above for ORIX USA Group proprietary accounts will be made in their sole discretion based solely on the interests of such entities, and Client interests will not be taken into account, even if such action or inaction would be detrimental for Clients.

In addition, a Client is expected to make an investment in, or a loan to, 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.

Even when a Client and an Investing Party hold interests in the same part of the capital structure of an issuer, there could be instances when an Investing Party's interest conflicts with the interests of another Investing Party, one of which may be a Client. For example, in the event an issuer in which two Investing Parties hold interests requires additional capital and only one Investing Party wishes to provide such capital, it is possible that the other Investing Party's interests in the issuer will be adversely affected because the Investing Party that provides the additional capital receives additional rights and privileges associated with its new investment or the original investment in the issuer becomes subordinate to the new investment

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 fees 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) invests 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.

An affiliate of ORIX USA, which is the sole owner of ORIX Advisers, is expected to hold an interest in a Client (the "ORIX Interest"). As the owner of the ORIX Interest ("ORIX LP") and given ORIX USA's role as a potential source of additional financing and/or additional commitments to a Client and Portfolio Investments, various conflicts of interest exist (or may arise in the future). For example, ORIX LP may invest in a Client and 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 a Client in connection with its limited partnership interest in such Client and may exercise its rights with respect to the Client or any Portfolio Investment in its sole discretion in light of its own interests as a limited partner, without taking into account the interests of other investors in the Client, any Portfolio Investment or the Client itself. Without limiting the generality of the foregoing, ORIX LP may make decisions with respect to the Client taking into account the interests of its affiliates. ORIX LP will not be entitled to participate in any vote or consent of a Client, except as specifically provided in the Client or Other Client Governing Documents.

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.

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, several ORIX USA Group officers are members of the Growth Capital and Asset Based Finance investment committees but are not generally involved in the day-to-day oversight or management of Clients' investments. Investment opportunities sourced by these ORIX USA Group officers will generally be made available to ORIX USA Group or an affiliate including ORIX Corporation prior to being offered to ORIX Advisers or its Clients, subject to the terms of the Governing Documents and any Side Letters and if offered to ORIX Advisers or its Clients, may be allocated to some Clients but not another. The personnel's various roles will limit the amount of time and input such personnel are able to spend with respect to the Client and ORIX Advisers. As a result of these personnel's responsibilities with respect to ORIX USA Group and ORIX Corporation, such personnel could act in the interests of the larger ORIX Corporation and ORIX USA enterprises even when such interests conflict with the interests of the Client or other Investing Party. 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.

Certain Clients are expected to enter into borrowing arrangements that require Clients and Other Clients to be jointly and severally liable for the obligations. If one Client defaults on such arrangement, the other Clients, could be held responsible for the defaulted amount.

In general, limits on investments by ORIX USA Group or decisions by ORIX USA Group not to participate in certain investments will, in certain cases, significantly constrain ORIX Advisers' ability to make Investments on behalf of a Client, particularly in opportunities involving the extending of larger loans. These restrictions could prevent a Client from participating in attractive investment opportunities in which it would have otherwise participated without such restrictions. ORIX Advisers, or affiliates of ORIX Advisers, from time to time originate loans in which participations and/or assignments may be purchased by a Client. The ability of a Client to invest in such loans will depend upon the ability of ORIX Advisers, or the Investment Team (or affiliates) to secure financing for such origination, either from another affiliate of ORIX Advisers or from a third party. There can be no guarantee that any affiliate of ORIX Advisers will be willing or able to make such financing available or that financing from a third party will be available on commercially reasonable terms. If such financing is not available or is not available on terms that are commercially reasonable for purposes of the origination of the loans, ORIX Advisers or its affiliates will be unable to originate loans, which may have a material adverse effect on the Client.

ORIX Advisers and ORIX Persons have pre-existing relationships with certain borrowers or other counterparties. In administering loans, each of ORIX Advisers and ORIX Persons may take into account its relationship or the relationships of its affiliates with borrowers or issuers and their respective affiliates, which can create conflicts of interest. Various ORIX Persons also have relationships with numerous investors, including institutional investors and their senior management. In addition, any ORIX Person can leverage its relationships with private equity sponsors who are affiliated with its borrowers as referral sources for investments. The existence and development of these relationships can potentially influence whether or not ORIX Advisers undertakes a particular investment and, if so, the form and level of such investment. Furthermore, ORIX Advisers, in connection with actions taken in the ordinary course of business in accordance with its fiduciary duties to its Clients, may take or refrain from taking, or be required to take, or be prohibited from taking, certain actions. Accordingly, certain investments or strategies

involving the management or realization of particular investments that ORIX Advisers would possibly not be undertaken on behalf of a Client in view of such relationships.

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 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 that provides a general framework for how investment opportunities are allocated, supplemented by each Investment Team's specific allocation policies. 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 (including but not limited to loans) 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 Client will participate primarily in investments sourced by the responsible Investment Team, allocated across the responsible Investment Team's Clients in accordance with ORIX Advisers' Allocation Policy and each Investment Team's specific allocation policies. While the investment program of certain Clients may permit the making of investments sourced by investment teams other than the responsible investment team, 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 the responsible investment team will have priority over clients not managed by such investment team with respect to investment opportunities sourced by the responsible investment team even if such opportunities are appropriate for the clients not managed by such investment team unless, a Client has a mandate that includes allocations to multiple investment team strategies. The other clients not managed by the responsible investment team or that do not have a mandate to strategies managed by such responsible investment team will have no right or entitlement to, and such other clients' investors should have no expectation that any such other client will receive an allocation of, investment opportunities sourced by the responsible investment team. In addition, unless otherwise specified in its Governing Documents, a Client will not have exclusivity over investment opportunities sourced by the responsible investment team and such investment opportunities will in certain cases instead be allocated, in whole or in part, to other Investing Parties that are managed by the responsible investment team in accordance with ORIX Advisers' Allocation Policy and each investment team's specific allocation policies. For discretionary Client accounts, subject to the terms of the Clients' Governing Documents, investment opportunities will generally be allocated among ORIX USA Group, other ORIX Persons and Client accounts for which the responsible investment team sourcing the applicable investment opportunity are directly responsible on a pro rata basis based on demand, with demand in such instance being determined in the sole discretion of the responsible investment team, taking into account factors that it deems appropriate in light of the circumstances, including relative size of the accounts of the potential Investing Parties and, to the extent applicable, any other factors noted below. In many cases, the accounts of ORIX USA Group and other ORIX Persons are materially larger and have a greater demand than the applicable Client accounts and, therefore, it is expected that a pro rata allocation based on demand could result in ORIX USA Group or other ORIX Persons being entitled to, and allocated, a materially larger portion of such investment opportunities than the unaffiliated Client (or in many cases receiving substantially all of the opportunity). It should also be recognized that absent a capital commitment from a discretionary Client or a specific instruction from a Client as to its level of demand, ORIX Advisers' determination of Client demand will be based on the facts and circumstances related to each investment opportunity and ORIX Advisers' good faith application of the factors noted

herein, including, when relevant, the consideration of leverage when assessing Client demand for an investment opportunity that may be constrained.

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 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.

Clients are expected to hold overlapping positions, some of which may be thinly traded or more illiquid. Accordingly, sales into the market of such positions, including to meet liquidity requirements with respect to one or more Other Clients, could adversely impact the value of such positions held by the Clients. Such sales could be adverse to the Clients where the Clients hold the same or overlapping positions and the Other Client provides investors the opportunity to withdraw or otherwise has a different liquidity profile relative to the Client. Clients are expected to enter into borrowing arrangements that require Clients to be jointly and severally liable for the obligations. If one account defaults on such arrangement, the other accounts may be held responsible for the defaulted amount.

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 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 Team, 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 terms of any new financing as well as 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. In addition, Clients may participate in relevering and recapitalization transactions involving a Portfolio Investment in which another Investing Party has already invested or will invest. 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.

Transactions Related to Affiliates of and Clients Advised by ORIX Advisers

Clients may seek to refinance loans or extend new credit to a borrower that has a current loan with a Client advised by ORIX Advisers or an Investing Party where the loan is nearing maturity or the borrower is seeking alternative financing, or in certain circumstances, another Client of ORIX Advisers or Investing Party may lend to an existing borrower of Clients. While the terms of such financing are negotiated with such borrowers, in certain circumstances it may be customary or beneficial for legal, tax, regulatory or other reasons for such transactions to involve both Clients and an Investing Party or proceeds from one such transaction may pay off another such transaction.

Cross Trades and Principal Trades

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

ORIX Advisers and its affiliates at times 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 effect transactions with or for an account in instances in which ORIX Advisers and its affiliates and/or their personnel 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 expects its Clients to engage in cross trades.

ORIX Advisers, from time to time, causes 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 engage in principal trades.

Client investments in loans sourced by ORIX Advisers will in certain transactions be structured as participations purchased from affiliates of ORIX USA, with the lending entity of record being an affiliate of ORIX Advisers. As such, ORIX Advisers will regularly enter into transactions and other arrangements

that may be viewed as related party or principal transactions (i.e., transactions between a Client and an affiliate of ORIX Advisers acting for its own account) when purchasing such participations on behalf of the Client from the affiliated lending entity. Pursuant to Section 206(3) of the Advisers Act, ORIX Advisers is required to obtain prior consent from the Client for all such principal transactions on a transaction-by-transaction basis. ORIX Advisers does not expect to make commitments to borrowers until a principal transaction consent has been obtained. In the event that a Client declines to provide consent to a principal transaction in respect of the purchase of a participation, ORIX Advisers may be unable to consummate the investment for the Client and the opportunity will not be available to the Client. 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.

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.

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 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 expect to enter 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.

Loan Participations and Assignments

Occasionally, certain Clients could offer to other Clients, affiliates of ORIX Advisers, clients of affiliates of ORIX Advisers, or other third parties, participations in and/or assignments or sales of loans and other securities that ORIX Advisers or the Client has originated or purchased. In determining the target amount to allocate to a particular loan origination, the Client will take into consideration the fact that it anticipates selling, assigning or offering participations in such investment to the Clients and other parties as described above. If the Client is not successful in offering such participations, assignments or sales, the Client will be forced to hold such excess until such time as it can be disposed. This could result in the Client being "overweighted" with respect to a particular borrower, issuer or company, which could adversely affect the performance of the Client. See "*Risks Associated with Loan Participations and Loan Assignments*" in Item 8 for additional information regarding risks involved in loan participations.

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 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 Clients. Therefore, ORIX USA may be considered to be participating indirectly in transactions effected for the Clients. 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. 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.

In addition, investments in certain loans can be structured as participation interests or assignments in loans for which an ORIX USA Group entity is a lender. ORIX Advisers will have discretionary authority to cause, or make recommendations for, Clients to purchase such participations or assignments. ORIX Advisers will have an incentive to cause such transactions to be entered into at a price that benefits its affiliate, and any benefit to its affiliate will not be passed along to the Client or reduce any fees otherwise payable by the Client. Required consents to these trades will be sought and obtained from Clients to address 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, 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.

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 Item 10, Other Financial Industry Activities & Affiliations for discussion of Cross Trades and Principal Trades for additional information.

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.

Service Providers

ORIX Advisers originates debt investment opportunities for Clients for a fee from borrowers. As a result, ORIX Advisers or an affiliate receives origination fees and sometimes disposition fees for the acquisition or sale of debt investments.

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.

Certain Loan Participation Arrangements

The Investment Teams from time-to-time sources loans for the balance sheet of ORIX Advisers or its affiliates, with the intention of participating all or a portion of certain of such loans to other parties. ORIX Advisers has business relationships with one or more insurers (each, an “Insurer”) whereby such Insurer will refer to ORIX Advisers certain Clients on the understanding that ORIX Advisers or its affiliate will sell to such Clients participations in loans held on the balance sheet of ORIX Advisers or its affiliate and, in connection with purchasing the participation, the Client will enter into an insurance or financial guarantee agreement with the Insurer in order to insure itself against non-performance of the loan that is subject to the participation. The Client will pay an insurance premium to the Insurer. The Client decides, in its sole discretion, whether to purchase the participation in such loan and the amount of its participation in such loan. The participation agreement with respect to each such loan will entitle the Client to receive all proceeds from the relevant portion of the loan after deduction of all costs and fees owed to ORIX Advisers or its affiliates. In addition to any standard participation agreement fees, ORIX Advisers or its affiliate will receive from the Client an annual fee equal to a percentage of (or the investment amount with respect to) the principal amount of the underlying loan as well as a percentage of all distributions above a particular cumulative rate of return.

The Insurer has an incentive to refer Clients to ORIX Advisers because, for each loan participation the Client acquires from ORIX Advisers or its affiliates, the Insurer receives insurance premiums. ORIX Advisers faces a conflict of interest in its sale of participations to the Asset Based Finance Client, as ORIX Advisers has an incentive to sell participations to the Asset Based Finance Clients referred by the Insurer, even if entering into such insurance arrangements may not be in the interest of the Asset Based Finance Client, as such ongoing referrals from the Insurer provides ORIX Advisers and its affiliates the opportunity to earn additional fees and profit allocations with respect to loans on its balance sheet. Like any loan participation, the Asset Based Finance Client that is party to such arrangement bears the risk that it will not receive any payments with respect to its participation. Under the participation agreement, ORIX Advisers and its affiliates will have no obligation to make payments to the Asset Based Finance Client other than those amounts distributed with respect to the loan and which are due to the Asset Based Finance Client in accordance with the participation agreement. Moreover, ORIX Advisers and its affiliates will have no obligation with respect to the Insurer’s obligations. As the seller of the loan participation, ORIX Advisers faces a conflict of interest in that ensuring that the Asset Based Finance Client receives all amounts due to it in connection with the participation is contrary to ORIX Advisers’ own interest in maximizing the proceeds it retains with respect to such loan. As a result, in deciding to acquire each such loan participation,

such Asset Based Finance Clients must rely on their own determination of ORIX Advisers' creditworthiness as a counterparty in the transaction. See "*Risks Associated with Loan Participations and Loan Assignments*" in Item 8 for additional information regarding risks involved in loan participations.

As the Client acquires the loan participation from ORIX Advisers or its affiliate, such transaction is likely to constitute a principal transaction for purposes of the Advisers Act. See "*Principal Transactions*" in Item 11 for additional information regarding principal transactions. The Client's acquisition of a loan participation from ORIX Advisers involves conflicts of interest in that ORIX Advisers may have an incentive to sell such participation to the Client in order to remove a portion of a loan from its balance sheet, to generate additional income, or to reduce exposure to a specific loan (particularly if ORIX Advisers believes the loan may underperform). ORIX Advisers or its affiliate may or may not, in their sole discretion, retain a portion of the underlying loan that is the subject of any such participation for their own account or third parties, and may manage other accounts for affiliates or third-party Clients that may have the ability to invest in the same underlying loans. Except as provided in the Governing Documents, ORIX Advisers has no obligation to offer a participation in any such loan to any Client and may, in its own discretion, choose to offer to a Client participations in those loans that it determines are less likely to be profitable to ORIX Advisers or its affiliates while retaining its interest in other loans that it determines are more likely to be profitable to ORIX Advisers or its affiliates. In addition, by not exposing such transactions to market forces, the Client may not receive the best price or terms otherwise possible in connection with the acquisition of any such participation from ORIX Advisers or its affiliate. By deciding to acquire each such loan participation, the Client agrees and acknowledges the risks and conflicts described herein.

Item 12. Brokerage Practices

Certain Investment Teams of ORIX Advisers do engage in active trading of publicly-traded securities on behalf of Clients. Specifically, Structured Credit actively buys and sells CMBS, RMBS and other securitized products on behalf of Clients. To the extent ORIX Advisers engages in trading activity on behalf of Clients, 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 investments in, 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 to 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.

An affiliate or ORIX Advisers including, but not limited to, ORIX Growth Capital, LLC ("OGC") and ORIX Corporate Capital, Inc. ("OCC"), serves as the administrative agent for certain loans in which Clients invest. Funds related to such loans and attributable to such Clients are commingled in an account established by OGC/OCC for that purpose (the "Agent Account") with funds attributable to other lenders (including ORIX Advisers and/or its affiliates and other Clients) and/or related to other loans. The Agent Account is held with a Qualified Custodian in the name of OGC/OCC for the benefit of lenders which would include Clients who are lenders under various loans and holds only cash and not loans. No account statements for the Agent Account are provided to Clients. In its role as administrative agent, OGC/OCC performs a variety of traditional services pursuant to credit agreements in accordance with negotiated guidelines regarding the movement of cash into and out of the Agent Account for such purposes as collecting and distributing loan proceeds or payments.

As administrative agent, OGC/OCC must apply the terms of the credit agreement in dealing with funds in the Agent Account and has no authority to determine how such funds are used, allocated or disbursed; however, other than the terms of the credit agreements, nothing prevents an administrative agent from withdrawing cash from the Agent Account for unrelated purposes. Therefore, and in light of past SEC Staff guidance, ORIX Advisers is considered to have custody over Client funds in the Agent Account for purposes of Rule 206(4)-2 under the Advisers Act.

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 may also have to vote with respect to loans or debt securities held by Clients. The issues which ORIX Advisers may have to vote with respect to debt securities generally involve amendments, consents and waivers to loan documentation, borrower compliance with financial covenants, registration rights, prepayments, exercise of rights and remedies, insolvency and other distressed credit situations. ORIX Advisers does not maintain specific proxy voting policies or guidelines regarding these types of issues. ORIX Advisers will vote on these types of issues on a case-by-case basis based on the facts and circumstances. Generally speaking, if ORIX Advisers is accorded voting or consent rights by virtue of any investment, it will be guided by general fiduciary principles and such voting or consent rights will be exercised by ORIX Advisers in a manner believed to be in the best interests of such Client and consistent with efforts to achieve a Client's objective, including maximizing portfolio value. However, certain Clients may retain consent rights with respect to certain types of votes relating to such loans or debt securities, such as extensions of the maturity date, the release of all or substantially all of the collateral, or a reduction of the interest rate.

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 offices:

- 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.