

Item I: Cover Page

# Glade Capital Management LP

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**October 2024**

This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Glade Capital Management LP (“**Glade**”). If you have any questions about the contents of this Brochure, please contact Conor Gibbons, Glade’s Chief Compliance Officer (“**CCO**”) at (561) 246-6330 or [cfg@gladecap.com](mailto:cfg@gladecap.com). 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 of an investment adviser does not imply any level of skill or training. Additional information about Glade also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to Glade Capital Management LP as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

## **Item 2: Material Changes**

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This serves as an amendment to the initial Form ADV Part 2A filing, which was submitted on June 17, 2024, by Glade.

Since the initial filing, Glade has made the following material change to this Brochure:

- Change of address for office location

This Brochure may be requested at any time, without charge, by contacting Glade's CCO at [cfg@gladecap.com](mailto:cfg@gladecap.com).

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**Item 4: Advisory Business**

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Glade Capital Management LP ("**Glade**") is a Delaware limited partnership that has been in business since November 2023. Glade is controlled by its principal, Jonathan Reef (the "**Principal**"). Glade provides investment advisory services to private funds via a master-feeder structure, whereby Glade Onshore Fund LP (the "**Domestic Fund**"), a Delaware limited partnership, and Glade Offshore Fund Ltd (the "**Offshore Fund**"), a Cayman Islands exempted company together with the Onshore Fund, the "**Feeder Funds**", invest substantially all of their assets in Glade Master Fund LP (the "**Master Fund**"), a Cayman Islands exempted limited partnership.

In addition to advising the Master Fund and Feeder Funds, Glade may also provide investment advice to a limited number of special purpose vehicles (each a "**Special Purpose Vehicle**", or an "**SPV**" and collectively, the "**Special Purpose Vehicles**" or the "**SPVs**").

Unless otherwise specified, the Domestic Fund, the Offshore Fund, the Master Fund, and any SPV are each referred to as a "**Fund**" and collectively, as the "**Funds**".

Glade GP LLC (the "**General Partner**"), a Delaware limited liability company, serves as general partner of the Funds that have been organized as limited partnerships. The General Partner has ultimate responsibility for the investment decisions made on behalf of the Master Fund and has delegated these and other certain responsibilities to Glade.

Additional detailed information about Glade is provided below, including information about Glade's advisory services, investment approach, personnel, affiliations and brokerage practices. Glade's principal place of business is in West Palm Beach, Florida.

Glade provides discretionary investment management services to the Funds pursuant to investment guidelines set forth in the relevant governing and offering documents of the Funds, including any limited partnership agreement, investment management agreement, private placement memorandum and/or subscription agreement, as the case may be (each an "**Offering Document**", and collectively, the "**Offering Documents**"). Glade does not tailor its advisory services to the individual investors (each an "**Investor**" and collectively the "**Investors**"), or provide Investors with the right to specify, or restrict the Funds' investment objectives or any investment or trading decisions.

Each Investor is strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Offering Documents and the additional details about Glade's investment strategies, methods of analysis and related risks (as discussed in Item 8 of this Brochure and each Fund's Offering Documents) in considering whether Glade's advisory services, or an investment in the Funds are appropriate to its own circumstances, based on all relevant factors including, but not limited to, the Investor's own investment objectives, liquidity requirements, tax situation and risk tolerance before making an investment decision.

Glade does not participate in wrap fee programs.

As of September 30, 2024, Glade managed approximately \$27,619,902 in regulatory assets under management ("**RAUM**") attributable to the Funds, all on a discretionary basis.

**Item 5: Fees and Compensation Management Fee for the Funds**

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As an investment adviser to the Funds, Glade receives a management fee dependent upon the particular class of the Feeder Funds (or the Master Fund).

Glade is entitled to receive management fees, determined and payable as of the first day of each calendar month.

Glade may reduce, waive or calculate differently the management fee for certain Investors in the Funds, including but not limited to, members, employees and affiliates of Glade.

**Management Fee for the SPVs**

As the investment adviser to an SPV, Glade intends to receive a management fee as outlined in the applicable Offering Documents.

If applicable, management fees will be paid by each SPV based on the frequency specified in the applicable Offering Documents.

Glade may reduce, waive or calculate differently the management fee for certain Investors in an SPV, including but not limited to, members, employees and affiliates of Glade.

**Other Fees and Expenses**

Each Fund will pay or reimburse Glade for all of the following costs and expenses, and the costs and expenses relating to Fund interests in the Master Fund, in accordance with the Offering Documents, including:

**Investment Program**

All costs, fees and expenses related to the Funds' or the Master Fund's investment program, as well as expenses related to any SPV formed for making or holding investments, including prospective Investments whether or not consummated, including: the researching, making, holding, monitoring or disposing of investments, including costs, fees and expenses related to research, due diligence, proxies, brokerage commissions and borrowing charges on investments sold short; all research (e.g., all costs and expenses of research reports, subscriptions to research services, research calls and meetings and research or industry conferences) and market data, including alternative data, including any computer hardware, software and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data, and expert networks; transaction-related and settlement-related expenses, which include all transaction-based expenses incurred in executing investments including brokerage commissions, expenses relating to short sales, clearing and settlement charges, expenses associated with consummating bank debt trades, dealer spreads, custodial fees, bank service fees, interest expenses, and legal expenses associated with any potential transaction), outsourced trading, appraisal fees and investment-related travel expenses, which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding, investments, including business class or the equivalent with respect to international travel, transportation, lodging, meals, admission costs for attending conferences related to such investments and other similar costs and expenses; investment banking fees and expenses, such as underwritings and private placement expenses; interest on, and commitment fees and expenses arising out of, debt balances or borrowings (including stock borrowings) and banking and custody fees; fees of consultants and finders relating to investments; and any attorneys, appraisers, accountants, consultants (including consultants in specializations such as executive talent and human resources, management, operations, manufacturing, procurement, technology, sales, marketing, acquisition due diligence, integration/rationalization or other types of operations) or other experts, as well as other expenses, related to investments.

**Sale of the Interests in the Funds**

Expenses incurred in connection with the offering and sale of Fund interests, including legal, accounting and administrative fees, printing costs, expenses related to preparing Offering Documents and other marketing materials, (other than any fees payable to any placement agent, which will be paid by Glade either directly or indirectly by reducing the management fees owed to Glade), the cost of negotiating and documenting any related documentation (including compensation arrangements and side letters), costs of reporting and providing information to existing and prospective Investors, costs of structuring and documenting any seeding arrangement, expenses related to the negotiation of and compliance with side letters, travel expenses (including business class or the equivalent with respect to international travel, transportation, lodging, meals and Investor entertainment) related to the Funds' offering, registration and other filing fees (including any Form D and "blue sky" filing fees) to the extent such fees are directly related to the Funds' activities, other out-of-pocket expenses, the cost of compliance with any applicable federal, state and other laws directly related to the Funds' activities, additional agreement negotiations

and other similar expenses.

### ***Regulatory Compliance***

All costs, fees and expenses incurred by the Funds, Glade, the General Partner, the Master Fund or their respective affiliates directly related to the Funds' organization, operations and investments, including the costs, fees and expenses associated with compliance, regulatory filings or regulatory and governmental inquiries of the Funds including: all costs, fees and expenses associated with any investigations, responding to any subpoenas, participating in any proceedings, entering into any settlements or disgorging any profits (i) for activity involving the Funds, or, to the extent the conduct is not disqualifying conduct, any indemnified person or indemnified person of the Funds or (ii) that are directly related to the investments or business as an investor; all costs, fees and expenses (including legal fees and expenses) incurred to comply with any applicable law, rule or regulation (including rules and regulations from self-regulatory organizations, as well as privacy and data protection laws) to the extent such costs, fees and expenses directly relate to the Funds' activities, including costs, fees and expenses incurred in connection with reporting, licensing, registration requirements and regulatory filings each directly related to the Funds' activities (including, for example, Form PF, Schedules I3D or I3G, Form I3F, Form I3H and Forms 3, 4 and 5); all compliance costs, fees and expenses directly related to the Funds' activities, including costs of third-party compliance consultants providing advice in connection with investment-related compliance obligations; anti-money laundering officer fees and expenses and costs associated with FATCA compliance or KYC obligations, such as any filings made or expenses incurred directly relating to the Funds' activities, including any portion of the Annex IV that directly relates to the Funds and other similar regulatory filings; and trade-related compliance expenses. Notwithstanding anything herein to the contrary, the Funds will not, to the extent prohibited by applicable law, rule or regulation, bear: (i) any fees or expenses associated with an examination or investigation of Glade or its related persons by governmental or regulatory authorities; and (ii) any regulatory or compliance expenses or fees of Glade or its related persons.

### ***Formation and Organization***

The Funds pay or reimburse Glade or the General Partner, as applicable, for all costs, fees and expenses arising in connection with the Funds' organization.

### ***Operation and Administration***

Costs, fees and expenses related to: third-party providers of "back office" and "middle office" services or software and technology relating to trade settlement, administration and accounting; management fees; the winding up and liquidation of the Funds; obtaining, maintaining or performing systems, research and other information, including: software tools, programs or other technology, such as portfolio risk management services, utilized in managing the investments (including all costs and expenses associated with Bloomberg terminals); valuation of the investments or the Funds' assets, including the costs and expenses associated with valuation experts, opinions and hardware, software and other technology used to facilitate valuations; legal expenses, including all costs, fees and expenses of legal counsel or other experts or consultants in connection with advice relating to the Funds' legal affairs, tax-related issues and ongoing operations (including the updating of the Funds' Offering Documents, processing transfer requests, negotiating with prospective investors and extraordinary legal expenses, such as those related to litigation or investigation involving the Funds' activities or regulatory investigations of or proceedings directly related to the Funds' activities, as well as any judgments or settlements associated with such investigations or proceedings); meetings of the Investors; all costs, fees and expenses incurred by the Funds' representatives when acting in the capacity as such; entity-level taxes (including taxes imposed under FATCA or the BBA, as defined below) and any withholding, transfer or other taxes imposed or assessed on, or collected from, the Partnership (including any interest or penalties); all costs, fees and expenses associated with creating, maintaining, reviewing, updating and implementing cybersecurity policies and procedures directly related to the Funds' activities; 75% of the cost of maintaining "directors and officers," "errors and omissions" or similar liability insurance (including tail insurance coverage) for the benefit of the Funds, the General Partner, Glade, or any other indemnified person; reporting and providing information to existing and prospective Investors; establishing, measuring and monitoring environmental, social and governance criteria for investments, including through the retention of consultants; except as otherwise determined by Glade or the General Partner to be payable on behalf of one or more Investors

in accordance with the Offering Documents, any withholding, transfer or other taxes (including any amounts under any BBA provision), imposed or assessed on, or collected from, the Funds, Glade, or the General Partner (including any interest and penalties); financial and tax accounting, tax advisory fees, tax compliance and filings-related costs (including FATCA compliance), shadow accounting software fees, bookkeeping and reporting services and administrative services performed by any person on behalf of the Funds (e.g., all costs of the administrator of the Funds), including the cost of any audit of the Funds' financial statements and the preparation of its tax returns; and indemnification obligations of the Funds.

Expenses generally shall be borne pro rata by the Investors in accordance with their respective capital account balances; provided that expenses may be specially allocated among the capital accounts as provided elsewhere herein, including, without limitation, with respect to the allocation of management fees, withholding taxes and other expenditures, reserves and adjustments for certain future events, limited participation investments, and restricted new issues. Notwithstanding the foregoing, costs, fees and expenses may be specially allocated among the capital accounts of the Investors on any other basis that Glade or the General Partner determines is more equitable in light of the purposes for which such expenses were incurred.

Notwithstanding anything to the contrary set forth in the foregoing, solely with respect to Series A Interests, the aggregate monthly audit and tax accounting expenses and shadow accounting software fees shall not exceed 0.0625% of the net asset value of such Series A Interests, calculated as of the first day of each month (the "**Expense Cap**"), subject to equitable proration to reflect any contributions accepted after the commencement of a calendar month. To the extent the Expense Cap is exceeded, Glade or its affiliates will cover such excess costs.

Certain of the Funds' formation, organizational and initial offering expenses may, for accounting purposes, be amortized by the Funds for up to a 60-month period. If the Funds amortize their expenses but terminate before such expenses are fully amortized or elect in their sole discretion to accelerate such amortization, the unamortized portion of the organizational expenses shall be debited against the Funds' assets at that time.

Glade and/or the General Partner, as appropriate, shall be entitled to reimbursement from the Funds, as applicable, for any expenses of the Funds paid by it on behalf of the Funds; provided that, Glade or the General Partner, as applicable, may absorb any or all of such expenses incurred on behalf of the Funds. Glade or the General Partner is permitted to incur any expenses of the Funds for the account or benefit of, or in connection with its activities or those of its affiliates on behalf of, the Funds. If Glade or the General Partner incurs such shared expenses, Glade or the General Partner, as appropriate, will allocate such expense among the Funds in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as Glade or the General Partner considers fair and equitable.

In the event of a trade error, any loss in the Funds occurring as a result of Glade's disqualifying conduct, shall be reimbursed to the Funds by Glade and any gains shall be retained by the Funds.

To the extent Glade determines to use "soft dollars" generated by the Master Fund to pay for brokerage and research products and services, such usage shall be within the "safe harbor" provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and related guidance. Glade's use of "soft dollars" as described herein shall not constitute a breach by them of any fiduciary or other duty which Glade may be deemed to owe to the Funds, the Master Fund, or the Investors.

Except as otherwise stated herein, Glade pays all of its own operating, administrative and overhead costs, without reimbursement by the Funds. Each of the Funds will not have their own separate employees or office, and will not reimburse Glade for salaries, office rent and other general overhead costs of Glade.

#### **Item 6: Performance-Based Fees Master Fund Performance-Based Fees**

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As mentioned under "Fees and Compensation" above, Glade receives performance-based compensation from clients who are "Qualified Clients," (as defined in the Advisers Act) in accordance with applicable requirements of the Advisers Act and terms set forth in the relevant Offering Documents.

Glade will be entitled to an annual performance allocation (the “**Performance Allocation**”) with respect to each capital account of an Investor equal to a percentage of the amount by which the net profits allocated to such capital account (after deduction of all expenses, including monthly management fees and including any specially allocated items of profit or loss attributable to restricted new issues) for the current year exceeds the “**Loss Carryforward Amount**”. The Loss Carryforward Amount for any year equals the net losses, if any, allocated to an Investor’s capital account during any preceding year reduced by subsequent gains (to the extent a modified Performance Allocation percentage (as described below) applies to such gains).

Because the Performance Allocation is calculated with respect to each Investor’s capital, Investors with multiple capital accounts may be charged a Performance Allocation in respect of one or more capital accounts for a year in which the aggregate net profits allocated to all of such Investor’s capital accounts do not exceed the aggregate Loss Carryforward Amount allocated to all of such Investor’s capital accounts.

If an Investor makes a withdrawal or a distribution is made from a capital account at a time when there is a Loss Carryforward Amount, such Loss Carryforward Amount will be reduced in the same proportion that the withdrawal or distribution amount bears to the balance of such Investor’s capital account at the time of the withdrawal or distribution.

The Performance Allocation will be calculated and charged to each capital account of an Investor as of December 31 of each year. A Performance Allocation will also be calculated and charged with respect to the capital account of an Investor withdrawing or receiving a distribution in full or in part as of any time other than December 31 on the basis of net profits allocated to such capital account through the withdrawal date. In the case of a partial withdrawal or distribution, the Performance Allocation will be charged only with respect to the portion of the capital account attributable to the Interests being withdrawn or distributed. Glade has the absolute discretion to agree with an Investor to waive or modify the Performance Allocation. In such circumstances, the Funds will reflect any such waiver, modification or reduction in relation to the relevant capital accounts in its books of accounts.

### **Performance-Based Fees for an SPV**

In relation to any future SPV, it is anticipated that Glade or an affiliated entity will be entitled to a performance-based “carried interest” that may vary from SPV to SPV. Performance-based arrangements for each SPV will be described in the relevant Offering Documents for each SPV, including the manner of calculation. All performance-based fees or allocations may be subject to modification (e.g., higher preferred return rates), waiver or reduction.

In addition, the performance-based fee for an SPV may be subject to certain preferred return hurdles, catch-up allocations, and/or clawback provisions.

### **Item 7: Types of Clients**

Currently, Glade intends to provide investment advice to the Funds. Each of the Domestic Fund’s and the Offshore Fund’s (and any future SPV’s) Offering Documents sets forth the eligibility criteria and minimum investment requirements for Investors. Initial and additional subscription minimums are disclosed in the Offering Documents for each Fund, which may be waived at the discretion of Glade.

#### *Domestic Fund*

Each Investor generally must be (i) an “accredited investor”, as defined in Regulation D under the U.S. Securities Act of 1933 (the “**Securities Act**”), and (ii) either a “qualified purchaser”, as defined in the U.S. Investment Company Act of 1940 (the “**Company Act**”), or a “knowledgeable employee”, as defined under Rule 3c-5 of the Company Act and must meet other suitability requirements. Interests may not be purchased by non-resident aliens, foreign corporations, foreign partnerships, foreign trusts or foreign estates, all as defined in the Internal Revenue Code. The subscription agreement contains representations and questionnaires relating to these qualifications.



*Offshore Fund*

Each Investor generally must be either (i) a non-U.S. Person or (ii) a Permitted U.S. Person that qualifies as an “accredited investor,” as defined in Regulation D under the Securities Act, and either a “qualified purchaser,” as defined in the Company Act, or a “knowledgeable employee,” as defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements. The subscription agreement contains representations and questionnaires relating to these qualifications.

The minimum investment for an Investor into the Funds is US \$5,000,000. The minimum investment for additional contributions by an existing Investor is US \$1,000,000. These minimums may be waived by Glade in its sole discretion.

**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss*****Investment Objective and Overview***

Glade’s investment objective is to seek equity-like returns with credit-like downside protection over a rolling, multi-year time horizon. There can be no assurance Glade will meet its investment objectives.

The cornerstone of Glade’s approach is its combination of fundamental and special situation investment frameworks through which Glade seeks to identify investments that it believes can be acquired with an attractive, credit-like return profile.

Glade is focused on global credit markets, however, Glade has been given very broad and flexible investment parameters because Glade believes that in seeking profitable investment opportunities it is important to have maximum flexibility. This flexibility should facilitate Glade’s efforts to seek out inefficiencies and mispricings in markets and in investment arenas in which there is a shortage of traditional institutional capital.

***Risk of Loss Factors***

Investing in securities involves risk of loss that Investors should be prepared to bear. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Each Fund’s Offering Documents provides a detailed description of the risks of investing in the Funds.

***Restrictions on Transfer; No Secondary Market for Interests***

The interest of the Funds has not been registered under the Securities Act or the securities laws of any state or non-U.S. jurisdiction, and no such registration is contemplated. There is no obligation on the part of any person to register the interests under the Securities Act or the securities laws of any state or non-U.S. jurisdiction. The interests may not be transferred or resold except as permitted under the Securities Act and any applicable securities laws of any state or non-U.S. jurisdiction, pursuant to registration or an exemption therefrom. In addition, the interests are not transferable without the approval of the General Partner of the Funds that have been organized as limited partnerships or the board of directors of the Offshore Feeder, which may be withheld for any reason or no reason. Neither the General Partner for the funds organized as limited partnerships nor the board of directors of the Offshore Feeder will consent to any transfer or other disposition of an Interest that could cause the Funds to be treated as a “publicly traded partnership” under Section 7704 of the Internal Revenue Code of 1986, as amended (the “**IRS Code**”). There will be no secondary market for interests in the Funds and none is expected to develop. Consequently, Investors will be able to dispose of their interests only by means of the withdrawal privilege described herein. The risk of any decline in value of an investment in the Funds during the period following a minimum notice of withdrawal is borne by the Investor. The withdrawal privilege may be temporarily suspended under extraordinary circumstances, if considered necessary for the protection of Investors generally.

***Unspecified Investments and Lack of Investor Control***

Prospective Investors must rely on the judgment and ability of Glade with respect to the selection of the Fund's investments. Investors will not have the opportunity to evaluate for themselves the relevant financial and other information that will be utilized by Glade in its selection of investments and the management of the Funds' affairs. The Funds and Glade are newly formed entities with little or no operating history upon which prospective Investors can evaluate anticipated performance, and the past performance of Glade's investments cannot be relied upon as an indication of the future results of an investment in the Funds. As a result, no assurance can be given that the Funds will be successful in identifying investments suitable for investment or that, if such investments are made, the objectives of the Funds will be achieved. In addition, the Investors will not make decisions with respect to the management, disposition or other realization of any investment of the Funds, or other decisions regarding the Funds' business and affairs. Glade, may in its sole discretion, make changes to the Funds' investment approach if it believes such changes are warranted by changes in market conditions.

***No Assurance of Profit, Cash Distributions, Appreciation or Rate of Return***

An investment in the Funds involves a high and speculative degree of business and financial risk that could result in a loss of all or a part of the invested capital. There can be no assurance that the Funds' investment strategy will produce favorable returns, due to the risks and uncertainties noted herein, among others. An Investor must be prepared to bear capital losses that might result from an investment in the Funds, including a complete loss of the Investor's invested capital.

***Competition; Potential Strategy Saturation***

Despite the specialized, "niche" character of the Funds' portfolio, the Funds will compete with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, which pursue similar strategies and many of which have resources substantially greater than the Funds'.

The amount of capital contributed or committed to "alternative investment strategies" and credit related strategies has increased dramatically during recent years and at the same time, market conditions have become significantly more adverse to many of such strategies than they were in previous years. The profit potential of the Funds may be materially reduced as a result of the "saturation" of the alternative investment field.

***Performance Allocation***

Glade's entitlement to distributions that are not in proportion with its capital contributions based on the performance of the Funds' investment, as described herein, may create an incentive for Glade and/or the General Partner to make investments that are riskier or more speculative than would be the case in the absence of such performance-based distribution entitlement.

***Systemic Risk***

Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Funds interact. A systemic failure could have material adverse consequences on the Funds and on the markets for the securities in which the Funds seek to invest.

***Cybersecurity Breaches and Identity Theft***

Glade is highly dependent on information systems and system failures, breaches or cyber-attacks could significantly disrupt Glade's business, which could have a material adverse effect on the results of operations and cash flows of the Funds. Glade's business is highly dependent on its communications and information systems. Any failure, interruption or unauthorized access of these systems could cause delays or other problems in Glade's securities trading activities, which could have a material adverse effect on the results of operations and cash flows of the Funds and negatively affect the Funds' ability to make

distributions to Investors. System breaches in particular are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could result in disruptions of Glade's communications and information systems, unauthorized release of confidential or proprietary information and damage or corruption of data. These events could lead to higher operating costs from remedial actions, loss of business and potential liability.

With the increased use of technologies such as the internet and the dependence on computer systems to perform business and operational functions, portfolios (such as the Funds) and their service providers may be prone to malfunctions and information security risks resulting from cyber-attacks and/or technological defects. Cyber-attacks include, among others, stealing or corrupting data sets, which may have similar effects. Preventing cyber-attacks or deliberate, but unintentional events online, such as stealing confidential information, security breaches, or contaminating data is crucial to avoid operational disruption. Successful cyber-attacks against the Funds or their service providers can cause operational disruption, release private data, or affect a customer, or other affiliate of the Funds or Glade adversely affecting the Funds or the Investors. For instance, cyber-attacks may interfere with the processing of transactions, affect the Fund's ability to calculate net asset value, cause the release of private information, impact trading, commercial or damage, and subject the Funds to regulatory fines, penalties or losses. They may also result in reimbursement or other compensation costs, and compromise confidential Fund information. Cyber-attacks may subdue records of Fund assets and transactions, ownership of the Interests, and other data integral to the functioning of the Funds, resulting in security risks or inaccurate or incomplete records. The Funds may also incur substantial costs for cyber-security measures, damage to property, and system crashes which might limit investment. The Funds and the Investors could be negatively impacted by cyber incidents in the future. Cyber-attacks that breach business continuity plans and systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, have inherent limitations, including the possibility that certain risks have not been identified given the evolving nature of the threat. The Funds rely on third-party service providers for many of their day-to-day operations, and will be subject to the risk that the protections and protocols implemented by these service providers will be ineffective in protecting the Funds from cyber-attacks.

### ***Absence of Regulatory Oversight***

The Funds are not required and do not intend to register as an investment company under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, the provisions of the Investment Company Act (which require, among other things, investment companies to have a majority of disinterested directors and to publicly report certain information as to their holdings) are not applicable to the Funds. Glade is not registered as a commodity trading adviser with the Commodity Futures Trading Commission (the "**CFTC**").

### ***Market Conditions***

The Funds will be materially affected by conditions in the financial markets and economic conditions throughout the world, including regulatory interventions, interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances. Difficult market conditions may adversely affect the Funds' business and operations by reducing the value or performance of their investments or by reducing its ability to raise or deploy capital, each of which could negatively impact the returns to Investors.

### ***Increased Regulatory Oversight***

Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on Glade, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert Glade's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

In August 2023, the SEC adopted new rules and rule amendments under the Advisers Act (collectively,

the “**Private Fund Advisers Rules**”) that significantly expand the regulatory compliance requirements for investment advisers of private investment funds. The rules are being challenged in court, but the outcome of that litigation remains unclear.

If the Private Fund Advisers Rules are not overturned or limited by the pending legal challenge, they will impose additional requirements on Glade, the implementation of which could result in material alterations to the operations of the Funds, and impact the investment strategies of the Funds. Such requirements include, but are not limited to: additional reporting and disclosure obligations, limitations with respect to the expenses to be borne by the Funds, and consent requirements with respect to certain actions by Glade. Certain incremental costs and expenses of compliance with the Private Fund Advisers Rules, to the extent permitted under the Funds’ Offering Documents and consistent with applicable law, would be borne by the Funds, and could be significant. The implementation of the Private Fund Advisers Rules could require Glade to allocate additional resources to compliance with the rule, which could impact the availability of these resources for other aspects of the management of the Funds. There can be no assurance that such alterations made pursuant to the Private Fund Advisers Rules will not have a material adverse effect on Glade or the Funds or its investments.

### ***Diversification***

An investment in the Funds does not constitute a diversified investment program. The Funds may invest in a limited number of investments. A consequence of a limited number of investments is that the aggregate returns realized by the Funds may be substantially affected by the unfavorable performance of a small number of such investments.

### ***Co-Investments with Third Parties***

The Funds may co-invest with third parties, through joint ventures or other entities, including certain strategic investors. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Funds may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds’ investment objectives, which may be of particular concern where the Funds is a minority syndicate member. In addition, the Funds in certain instances may be liable for actions of its co-venturers or partners.

### ***Dependence on Service Providers***

The Funds and their investments will retain advisors and service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) that also provide services to or have other relationships with Glade. While Glade will generally seek to engage advisors and service providers on behalf of the Funds and their investments on the basis of the quality of the advice and other services provided, these relationships may influence the decision to select or recommend an advisor or service provider to perform services for the Funds or their investments (the cost of which will generally be borne directly or indirectly by the Funds or its investments, as applicable). In addition, third-party service providers may provide services at the expense of the Funds that are also, or in the past have been, provided by Glade (such as sourcing, diligence, development, structuring, monitoring, and disposing of investments).

### ***Fund Expenses***

The amount of Fund expenses may exceed expectations. The amount of these Fund expenses will be substantial and will reduce the actual returns realized by Investors on their investment in the Funds (and will reduce the amount of capital available to be deployed by the Funds in investments). In addition, the Funds’ underlying investments (including those controlled by the Funds) will incur their own operating and other expenses, including the compensation and benefits of employees and other personnel, overhead expenses, the costs and expenses of third-party service providers and operating partners, and other ordinary course and extraordinary expenses. These expenses are expected to be material, and the Funds’ ability to forecast and control such expenses may be limited, particularly in the case of minority investments.

***Reliance on Glade's Investment Professionals***

The success of the Funds will depend in large part upon the skill and expertise of Glade's investment professionals. Although Glade believes that the success of the Funds is not dependent upon any one investment professional of Glade, there can be no assurance that any of the investment professionals will continue to be associated with the Funds or Glade.

***Dependence on Glade, the General Partner and Certain Personnel***

The success of the Funds is dependent upon the ability of Glade to manage the Funds and effectively implement the Funds' investment programs. The Funds' governing documents do not permit the Investors to participate in the management and affairs of the Funds. If the Funds were to incur substantial losses or were subject to an unusually high level of withdrawals, the revenues of Glade may decline substantially. Such losses and/or withdrawals may impair Glade's ability to retain employees, provide the same level of service to the Funds and continue operations. The loss of the services of Glade or the General Partner or their key personnel could have a material adverse effect on the Funds and the Investors' investments therein.

All private fund investments risk the loss of capital. Glade believes that the Funds' investment program, refined research techniques, active participation in the reorganization process and hedging activities moderate this risk through a careful selection of securities, equity interests, other financial instruments and assets. However, there can be no assurance that the Funds' program will be successful or that investments purchased by the Funds will increase in value. All Investors in the Funds should consult their own legal, tax and financial advisors prior to investing in the Funds.

***Investment Program***

The Funds' investment program should be evaluated on the basis that there can be no assurance that Glade's assessment of the short term or long-term prospects of investments will prove accurate or that the Funds will achieve its investment objective. Past performance of the Funds or any other entity or account managed by the General Partner, Glade, or any of their affiliates is not indicative of future performance.

***Investment Strategy***

The evaluation models and trading techniques used by the Funds may not be successful and may thereby cause the Funds to incur losses on the positions that it initiates. There can be no assurance that the Funds' transactions will be successful, since their success depends in part upon the ability of Glade to predict future changes in market conditions, interest rates and prices of specific securities. There also may be a lack of correlation between an index or instrument underlying an option or futures contract and the securities or other assets being hedged. If Glade predicts incorrectly, the effect on the value of the Funds' investments may be less favorable than if the Funds had not engaged in such options and futures trading. For these and other reasons, the past performance that Glade has achieved cannot be construed as a prediction or indication of future results.

***Concentrated Strategy***

The Funds will not be broadly diversified, but rather will concentrate on credit investments across the credit spectrum from performing to stressed and distressed.

***Portfolio Turnover***

The turnover rate of the Funds' investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transaction costs.

***Investing in Fixed Income Securities***

The Funds will invest in bonds or other fixed income securities, including without limitation, commercial paper and “higher yielding” (including non-investment grade and, therefore, higher risk) debt securities. The Funds will, therefore, be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer’s assets. The lower rating of debt obligations in the higher-yielding sectors reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such an economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### ***Investing in High Yield Debt***

The Funds will invest in fixed-income securities and other debt obligations which are rated below investment grade or are unrated. These high-yield instruments are regarded as being predominantly speculative as to the issuer’s ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high-yield debt may be highly leveraged or have enterprise risk that renders unavailable to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with issuers of higher quality. For example, during an economic downturn or a sustained period of rising interest rates, issuers of high-yield bonds may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, such issuers may not have sufficient revenues to meet their interest payment obligations. The issuer’s ability to service its debt obligations also may be adversely affected by specific issuer developments, or the issuer’s inability to meet specific projected business forecasts, or the unavailability of additional financing. The risk of loss due to default by the issuer is significantly greater for the holders of high-yield bonds because such securities may be unsecured and may be subordinated to the creditors of the issuer. There can be no assurance that such events will not occur after the Funds purchases a particular security, in which case the Funds may experience losses and incur costs.

### ***Bank Loans***

The Funds’ investment programs may include investments in bank loans and participations. These obligations are subject to unique risks, including, without limitation: (i) the possible invalidation or compromise of an investment transaction as a fraudulent conveyance or preference under relevant creditors’ rights laws; (ii) challenges to the validity or seniority of bank claims and guarantees; (iii) so-called lender-liability claims by the issuer of the obligations; (iv) environmental liabilities that may arise with respect to collateral securing the obligations for certain of which lenders may have liability; (v) limitations on the ability of the Funds to directly enforce its rights with respect to participations; (vi) long and less certain settlement periods; and (vii) adverse consequences resulting from participating in such instruments with other institutions of lower credit quality. Successful claims by third parties arising from these and other risks would be borne by the Funds.

Many of the bank loans that may be purchased or originated by the Funds will have no, or only a limited, trading market. In addition, secondary market liquidity may become constrained during periods of volatility in the credit markets. Illiquid bank loans may trade at a discount to comparable, more liquid investments. In addition, because of the provision of confidential information, the unique and customized nature of a loan agreement and the private syndication of a loan, certain bank loans may not be purchased or sold as easily as publicly traded securities, particularly as a result of the increased degree of complexity in negotiating a secondary market purchase or sale which complexity does not exist, for example, in the high-yield bond market. Bank loans may encounter trading delays due to their unique and customized



nature, and transfers may be prohibited without the consent of an agent bank or borrower.

Bank loans may become non-performing for a variety of reasons. Non-performing bank loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal of the loan and/or the deferral of payments. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. The Funds may incur additional expenses to the extent it is required to seek recovery upon a default on a bank loan or participate in the restructuring of such obligation. Although the portfolio managers may exercise voting rights with respect to an individual bank loan on behalf of the Funds, there can be no certainty that the portfolio managers will be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such bank loan to determine the outcome of such vote.

To the extent that the Funds originate or acquire loans, the Funds may be subject to additional risks, including those related to lender liability, liability to syndicate members or later purchasers and protracted, expensive and resource-intensive workouts or other restructurings.

### ***Equities***

The Funds may invest its capital in long and short positions in equities, deferred interest obligations and other investments which do not produce current income for the Funds. Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in equity is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

### ***Trade and Other General Unsecured Claims***

The Funds may acquire interests in claims of trade creditors and other general unsecured claim holders of a debtor ("**Trade Claims**"). Trade Claims generally include, but are not limited to, claims of suppliers for goods delivered and for which payment has not been made, claims for unpaid services rendered, claims for contract rejection and claims related to litigation. Trade Claims are typically unsecured and may, in unusual circumstances, be subordinated to other unsecured obligations of the debtor. The repayment of Trade Claims is subject to significant uncertainties, including potential set-off by the debtor, characterization of "preferences" in bankruptcy as well as the other uncertainties described herein with respect to other distressed debt obligations.

### ***Thinly-Traded Investments***

The Funds may invest in restricted, as well as thinly-traded, instruments and securities (including privately placed securities and instruments). The Funds may also make investments in privately held companies or special purpose entities, provided that it is allowed under the applicable regulation. There may be no trading market for these securities and instruments, and the Funds might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Funds may be required to hold such securities despite adverse price movements. In addition, if the Funds makes a short sale of a thinly-traded security or instrument, it may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position.

### ***Warrants***

The Funds expect to invest, or receive as additional consideration for its credit investments, warrants from time to time. Warrants are generally exercisable for a set period of time at a purchase price is based on the valuation of the underlying security as of a certain date. If the price of the underlying security does not exceed the exercise price of a warrant when it is exercisable, the warrant may not have any value. Additionally, until the Funds exercise the warrant, it generally will not provide the Funds with any rights of a holder of such security.

### ***Convertible Securities***

The strategy primarily focuses on traditional convertible arbitrage and typically trades in major

international securities markets. This strategy is designed to take advantage of the price relationship between a convertible security and the underlying stock into which it can be exchanged. Together, such a position is designed to profit from inefficiencies arising from differing price movements of convertibles and those of their underlying common shares or straight debt. The Funds believe the strategy offers a measure of downside protection while allowing for considerable upside participation. Additionally, the convertible securities team may invest in other strategies that benefit from arbitraging the spread in price between two or more different securities. The strategy may utilize different types of hedging depending on the investment situation and may opportunistically utilize leverage, on a non-recourse basis, to the Funds.

***Interest Rate Risk***

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Adjustable-rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on characteristics of the reset terms, including index chosen, frequency of reset and reset cap or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. There can be no guarantee that Glade will be successful in fully mitigating the impact of interest rate changes, and declines in market value may ultimately reduce earnings or result in losses to the Funds.

***Interest Rate Fluctuations***

The prices of portfolio investments tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, to the extent that the Funds holds borrowed securities and leveraged investments, an increase in interest rates will increase the Funds' borrowing costs.

***Credit Risk***

Credit risk is the risk that issuers may fail, or become less able, to pay interest and/or principal when due. Changes in the actual or perceived creditworthiness of an issuer, factors affecting an issuer directly (such as management changes, labor relations, collapse of key suppliers or customers, or material changes in overhead), factors affecting the industry in which a particular issuer operates (such as competition or technological advances) and changes in general social, economic or political conditions can increase the risk of default by an issuer, which may affect a security's credit quality or value. Entities providing credit or liquidity support also may be affected by these types of changes.

***Financial Leverage***

Glade may use financial leverage for any purpose in managing the Funds, including increasing investment capacity, covering operating expenses and making withdrawal or distribution payments or for clearance of transactions. The leveraged capital structure of the Funds' investments will increase the Funds' exposure to adverse economic conditions such as rising interest rates, a downturn in the economy or deterioration in the conditions of the Funds' investments. Financial leverage includes, but is not limited to, buying securities on margin. In addition to direct borrowings from banks or prime brokers, Glade may employ strategies that include the use of financial leverage, such as the use of reverse repurchase agreements, swaps, options, futures contracts and other derivative securities, or other forms of leverage or credit. Glade may also engage in short sales. Short sellers routinely "borrow" securities to effect short sales, using margin accounts. Borrowing money to purchase a financial instrument may provide the Funds' portfolio with the opportunity for greater capital appreciation but at the same time will increase the portfolio's risk of loss with respect to that instrument. Although the use of leverage increases returns to the Funds if it earns a greater return on the incremental investments purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to the extent it fails to earn as much on such incremental investments as it pays for such funds. In addition, unanticipated increases in applicable



margin requirements could adversely affect the liquidity of the Funds and therefore also adversely affect their performance. There are no investment restrictions on Glade's ability to leverage the Funds' assets.

Ratings represent a rating agency's opinion regarding the quality of the security and are not a guarantee of quality. A downgrade or default affecting any of the Funds' securities could affect the Funds' performance. In addition, a rating may become stale in that it fails to reflect changes in an issuer's financial condition. Rating agencies may fail to make timely changes to credit ratings in response to subsequent events.

### ***Leverage***

Trading in derivative instruments can result in large amounts of synthetic leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Funds and could cause the Funds' net asset values to be subject to wider fluctuations than would be the case if derivative instruments that provide leverage were not used.

### ***Investments in Undervalued Assets***

The Funds may invest in undervalued assets. The identification of investment opportunities in undervalued 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 losses. Returns generated from the Funds' investments may not adequately compensate investors for the business and financial risks assumed. An Investor should be aware that it may lose all or part of its investment in the Funds.

The Funds may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, the Funds may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' funds would be committed to the assets purchased, possibly preventing the Funds from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

### ***Projections***

The Funds may make investments relying upon projections developed by Glade or a portfolio company concerning such company's future performance and cash flow. Projections are inherently uncertain and subject to factors beyond the control of Glade and the portfolio company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of a portfolio company to realize projected values and/or cash flow.

### ***Short Sales***

Short selling is the practice of selling securities which are not owned by the seller, generally when the seller anticipates a decline in the price of the securities or for hedging purposes. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. To complete a short sale, a Fund must borrow the securities from a third party in order to make delivery to the buyer. The Fund generally is required to pay a brokerage commission or interest which increases the cost to the Funds of selling such securities. The proceeds of the short sale plus additional cash or securities must be deposited as collateral with the lender of the securities to the extent necessary to meet margin requirements; the amount of the required deposit will be adjusted periodically to reflect any change in the market price of the securities which the Fund is required to return to the lender. A Fund is generally entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender, at negotiated rates typically based on the lender's short-term borrowing costs. The Fund is obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrowed by purchasing them at the market price at the time of replacement. Consequently, the Fund is exposed to the risk of having to purchase replacement securities

at market prices exceeding the net proceeds of the short sale. Until the securities are replaced, the Fund is required to pay to the lender amounts equal to any dividends or interest which accrue during the period of the loan of the securities.

### ***Investments in Different Parts of the Capital Structure***

The holders of classes of securities that differ from the class of securities owned by the Funds may control the exercise of remedies in connection with such securities. Such exercise of remedies by a holder of a different class of securities may be in conflict with the interests of the Funds. Glade or its affiliates may own classes of securities which are more senior or more subordinate than certain of the securities owned by the Funds which may result in certain conflicts of interest. Glade has established policies and procedures to address some types of conflicts raised by investment alongside it or its affiliates during periods in which the assets of the Funds are deemed to be “plan assets” under ERISA, including specifying that the Funds will exercise certain creditor rights with respect to certain minority investments along with the majority of similarly situated investors when Glade or one of its affiliates may have adverse interests to the Funds. In certain cases, however, the resolution of the conflict will depend entirely on the exercise of discretion by Glade in light of the relevant facts and circumstances at the time, including the immediate and long-term interests of the Funds. In such cases, Glade may (but is not required to) retain and delegate exclusive responsibility to an independent fiduciary to exercise discretion over a specified decision by the Funds.

### ***Investing in Non-United States Securities***

The Funds may invest in securities and other instruments of non-U.S. corporations and non-U.S. countries. Investing in the securities of companies (and, from time to time, governments) in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds’ investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in non-U.S. countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in non-U.S. countries, other than the United Kingdom, than there is in the United States.

Although it is anticipated that most of the Funds’ investments will be U.S. dollar denominated, Fund investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. Glade intends, but is under no obligation, to employ hedging techniques to minimize these risks, but there can be no assurance that such strategies will be effective.

### ***Debt Instruments***

The debt instruments in which the Funds will invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The Funds will invest in non-investment grade debt securities, which are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors which affect equity prices. In addition to the sensitivity of debt securities to overall interest-rate movements, debt securities involve a fundamental credit risk based on the issuer’s ability to make principal and interest payments on the debt it issues. The Funds’ investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market’s perception of any particular issuer’s creditworthiness, which may inhibit such issuer’s ability to refinance, restructure or otherwise experience recovery. The Funds also will invest in certain hybrid debt arrangements, which are subject to

risks in addition to the conventional risks of general interest-rate movements and the issuer's ability to pay the debt in accordance with its terms.

### **Counterparty Risk**

To the extent that contracts for investment will be entered into between the Funds and a market counterparty as principal (and not as agent), the Funds are exposed to the risk that the market counterparty may, in an insolvency or similar event, be unable to meet its contractual obligations to the Funds. The Funds may have a limited number of potential counterparties for certain of its investments, which may significantly impair the Funds' abilities to reduce exposure to counterparty risk. In addition, difficulty reaching an agreement with any single counterparty could limit or eliminate the Funds' abilities to execute such investments altogether. Because certain purchases, sales, hedging, financing arrangements and other instruments in which the Funds will engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, the Funds are subject to the risk that a counterparty will not perform its obligations under the related contracts. Although the Funds intend to pursue their remedies under any such contracts, there can be no assurance that a counterparty will not default and that the Funds will not sustain a loss on a transaction as a result.

### **Political and Economic Conditions**

The Funds' investments may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market downturn, the outbreak of hostilities involving the U.S., or the death of a major political figure may have significant adverse effects on the Funds' investment results. Other factors, such as changes in U.S. federal or state tax laws, U.S. federal or state securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the U.S. Congress, the SEC, the U.S. Federal Reserve Board, the New York Stock Exchange, the Financial Industry Regulatory Authority or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Funds less attractive.

### **Competition for Investment Opportunities**

The Funds operate in a highly competitive market for investment opportunities. The Funds will compete for investments with various other investors — such as other public and private funds, commercial and investment banks and commercial finance companies. Many competitors are substantially larger and have considerably more financial and other resources. Other funds may have investment objectives that overlap with the Funds, which may create competition for investment opportunities with limited supply. There may be a higher number of opportunistic competitors entering the market for mortgage-backed and asset securities given the current financial environment. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Funds, and may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships. The competitive pressures could impair the Funds' business, financial condition and results of operations. Also, as a result of this competition, the Funds may not be able to take advantage of attractive investment opportunities from time to time.

### **Potential Conflicts of Interest**

Glade, the Principal and their affiliates conduct investment activities for their own accounts and may serve as investment adviser, Glade or in a similar capacity to various other entities, co-investors and managed accounts in the future (the "**Other Accounts**"). Such other activities or accounts may have investment objectives or may implement investment strategies similar to those of the Funds. In addition to the Funds, Glade and their principal may invest in certain other entities managed by, or otherwise affiliated with, the General Partner, Glade or their affiliates from time to time.

Glade and the General Partner (or their Principal) may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the Funds. To the extent a particular investment is suitable for both the Funds and the Other Accounts, such investments will be allocated between the Funds and the Other Accounts in a manner which Glade determines is fair and

equitable under the circumstances to all clients, including the Funds. Situations may occur where the Funds could be disadvantaged because of the investment activities conducted by Glade for Other Accounts due, among other things, to the limited availability of an opportunity or the market impact of orders for multiple accounts. For example, co-investing funds and accounts may have different terms, investment strategies, return profiles and/or structures than the Funds. These factors could result in the Funds' investment being made or disposed of at a different time or with differing costs or terms than the co-investor. From the standpoint of the Funds, simultaneous identical portfolio transactions for the Funds and the Other Accounts may tend to decrease the prices received, and increase the prices required to be paid, by the Funds for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Funds and the Other Accounts in an equitable manner as determined by Glade.

Glade may at times determine that certain investments will be suitable for acquisition by the Funds and one or more Other Accounts. If that occurs, and Glade is not able to acquire the desired aggregate amount of such investments on terms and conditions which Glade deems advisable, Glade will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which Glade considers them to be suitable. Glade may make such allocations among the Funds and the Other Accounts in any manner which it considers to be fair and equitable under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

There can be no assurance that an investment opportunity which comes to the attention of Glade will not be allocated to an entity other than the Funds, with the Funds being unable to participate in such investment opportunity or participating only on a limited basis. In addition, it is noted that there may be circumstances under which Glade will consider participation by other entities in investment opportunities in which Glade does not intend to invest, or intends to invest only on a limited basis, on behalf of the Funds. Glade evaluates for the Funds and the other entities a variety of factors which may be relevant in determining whether a particular situation or strategy is appropriate and feasible for the Funds or a particular entity at a particular time, including the nature of the investment opportunity taken in the context of the other investment or regulatory limitations on the Funds or particular entity and the transaction costs involved. Because these considerations may differ for the Funds and other entities, including the Offshore Fund, in the context of any particular investment opportunity investment activities of the Funds and other entities, including the Offshore Fund, may differ considerably from time to time.

Glade, the Principal and its affiliates may accept management fees and performance compensation from Other Accounts and potential conflicts of interest may arise in connection with the receipt of such compensation, including the potential for Glade to favor an Other Account over the Funds. In particular, Glade and its personnel have a greater incentive to favor clients that pay Glade (and indirectly its investment personnel) higher performance compensation. To mitigate such conflicts of interest, Glade prohibits the allocation of investment opportunities based on anticipated compensation or profits to Glade, its affiliates or their professionals.

As a result of the foregoing, the General Partner or Glade (and their Principal) may have conflicts of interest in allocating their time and activity between the Funds and other entities, in allocating investments among the Funds and other entities (in which certain entities owned and controlled by the Principal (including estate planning vehicles established for the benefit of his immediate family members) have made and are expected to make significant investments) and in effecting transactions between the Funds and other entities, including ones in which the General Partner or Glade (and their Principal) may have a greater financial interest.

The General Partner has delegated to Glade the valuation of the Funds' portfolios. Because the General Partner receives a Performance Allocation based on a percentage of the Funds' net profits (which includes unrealized gains on the Funds' securities), involvement of Glade (an affiliate of the General Partner) regarding valuation may present a potential conflict of interest.

The General Partner and Glade will devote so much of their time and effort to the affairs of the Funds as

may, in its judgment, be necessary to accomplish the purposes of the Funds. Except to the extent necessary to perform its obligations hereunder, the General Partner, Glade or their members or affiliates are not limited to or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or from rendering services of any kind to any other corporation, firm, individual or association. The Offering Documents specifically provides that Glade, the General Partner, its affiliates and its Principal may conduct any other business including any business within the securities industry whether or not such business is in competition with the Funds. Without limiting the generality of the foregoing, the General Partner and Glade (or the Principal) may act as investment adviser or Glade for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Thus, the obligations of the General Partner and Glade to the Funds are not exclusive. The General Partner, Glade and their officers and employees are not required to devote any specific amount of time to the Funds and may devote a substantial amount of time to business activities other than the Funds. As a result of the foregoing, Glade and its officers and employees may have conflicts of interests in allocating their time and activity between the Funds and other business activities.

Glade will generally select the Funds' service providers and will determine the compensation of such providers without review by or the consent of the Investors or other independent party. The Funds will bear the fees, costs and expenses related to such services. Glade may from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to Glade and its affiliates. Glade addresses these conflicts of interest by using reasonable diligence to ascertain whether each service provider provides its service on a "best execution" basis, taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers satisfying Glade's service provider selection criteria.

The business terms and structure of the Funds were not negotiated at arm's length. The Funds do not have counsel separate and independent from that of the General Partner and Glade. No separate counsel has been retained by the Funds, the General Partner or Glade to represent or to act on behalf of Investors.

By acquiring interests, each Investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the extent permitted by applicable law, to have waived any claims with respect to the existence of any conflicts of interest.

#### **Item 9: Disciplinary Information**

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Glade is required to disclose all material facts regarding any legal or disciplinary events that would be material to a prospective investor or current Investor's evaluation of Glade's business or the integrity of Glade. Glade has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of Glade have been subject to such action.

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

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Neither Glade nor the General Partner are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Glade nor the General Partner are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The General Partner is an affiliated entity of Glade.

Neither Glade nor the General Partner recommend or select other investment advisers for the Funds.

#### **Item 11: Participation or Interest in Client Transactions and Personal Trading**

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#### **Code of Ethics**

Glade has adopted a Code of Ethics pursuant to Rule 204A-I of the Advisers Act (the “**Code**”) that establishes certain standards of conduct and rules for its employees and/or access persons (as applicable). A summary of the Code is provided below. All access persons of Glade must acknowledge annually that they understand and agree to the terms of the Code.

The Code incorporates the following general principles that all employees are expected to uphold at all times:

- Employees must place the interest of clients first;
- Employees must conduct all personal securities transactions in a manner consistent with the Code and seek to avoid both actual conflicts of interest and the appearance thereof, and;
- Employees may not take inappropriate advantage of their own positions with Glade for their own personal benefit.

### ***Personal Trading***

The Code prohibits that access persons are generally not permitted to purchase or sell publicly-traded securities for their own accounts or accounts that the access person controls or which the access person may be deemed to have beneficial ownership (such as an account of a spouse or minor child). Glade believes that this prohibition mitigates the most likely conflict of interest that may arise from personal trading activity by generally prohibiting trading in securities that largely comprise the investable universe of Glade’s clients.

Access persons may be permitted to buy and sell private securities (such as investments in hedge fund, private equity funds and private companies) with prior approval. Access persons are also permitted to invest in mutual funds and U.S. and non-U.S. government issued obligations without prior approval. In addition, Glade may permit access persons to maintain accounts that are managed on a discretionary basis by a third party if the access person has no direct or indirect influence or control over the investments for the account.

Exceptions to the personal trading policy are handled on a case-by-case basis. For example, an exception may be granted for legacy positions that were held by an access person (or a covered family member) prior to that access person joining Glade or to sell an investment that was originally made when the company was private and subsequently became publicly traded. In such a case, the access person would be required to obtain prior approval to sell such positions and may be subject to other restrictions as deemed appropriate by Glade under the circumstances.

### ***Gifts and Entertainment, Political Activities and Outside Activities***

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. Glade requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances.

The Code also generally requires access persons to obtain prior approval before the access person, a spouse or certain other immediate family members makes a political contribution or engages in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access person may make a contribution or engage in an activity for the selection of Glade as an investment adviser for a governmental equity.

Finally, the Code provides that, without prior approval, access persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person’s personal activities.

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



Glade, its principals and employees do not purchase or sell any securities for their own accounts to or from the Funds. However, in the future, if Glade is to advise multiple client accounts, subject to Funds' investment guidelines and restrictions, Glade may effect rebalancing or internal cross transactions. In such cases, Glade may determine that it would be in the best interests of the Master Fund and one or more other accounts to transfer a security from one account to another (each such transfer, a "**Cross Trade**") for a variety of reasons, including tax purposes, liquidity purposes, to rebalance the portfolios of the accounts, or to reduce transaction costs that may arise in an open market transaction. If Glade decides to engage in a Cross Trade, Glade will determine that the trade is in the best interests of both of the accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those accounts.

In the unlikely event Glade would enter into a cross trade, it would do so through the use of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two fund clients may occur as an "internal cross", where Glade instructs the custodian for the accounts to book the transaction at the price determined in accordance with Glade's valuation policy. If Glade effects an internal cross, Glade will not receive any fee in connection with the completion of the transaction.

### ***Additional Considerations***

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities, partners and personnel in connection with client transactions. Glade has established written policies and procedures, which contain procedures to monitor and resolve conflicts and will endeavor to resolve conflicts in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

### **Item 12: Brokerage Practices**

Glade has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Master Fund are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Glade and/or certain accounts, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Glade may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Master Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Glade need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Glade nor the Master Fund separately compensates any broker or dealer for any of these other services. Glade maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

### ***Soft Dollar Usage***

From time to time, Glade pays a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Master Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research provided by the broker-dealer. Glade will effect such transactions, and

receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). Glade believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with “soft dollars” generated by the Master Fund may be used by Glade to service one or more other accounts, including accounts that may not have paid for the soft dollar benefits. Glade will not seek to allocate soft dollar benefits to accounts in proportion to the soft dollar credits the accounts generate. Where a product or service obtained with soft dollars provides both research and non- research assistance to Glade (i.e., a “mixed use” item), Glade will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Glade’s allocation of the costs of such benefits and services between those that primarily benefit Glade and those that primarily benefit the accounts.

When Glade uses brokerage commissions (or markups or markdowns) generated by any accounts to obtain research or other products or services, Glade receives a benefit because it does not have to produce or pay for such products or services. While Glade is obligated to seek best execution for each account, the fact that Glade can obtain or receive such products or services may create an incentive for it to select or recommend a particular broker-dealer based on Glade’s interests, to the exclusion of another broker-dealer that offers business terms that are also favorable to one or more accounts.

At least annually, Glade considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon and attempts to allocate a portion of the brokerage business of its accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Glade make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

### ***Trade Aggregation and Allocation Policies and Procedures***

Glade intends to execute trades and investments in the Master Fund. In the future, if Glade is to advise other actively traded client accounts, in addition to the Master Fund, it will be the policy of Glade to allocate investment opportunities to the Master Fund and to any other accounts on a fair and equitable basis, to the extent practical and in accordance with the Master Fund’s or other accounts’ applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: whether the risk-return profile of the proposed investment is consistent with an account’s objectives, the potential for the proposed investment to create an imbalance in an account’s portfolio, the liquidity requirements of an account, potentially adverse tax consequences, regulatory restrictions that would or could limit an account’s ability to participate in a proposed investment, and the need to re-size risk in an account’s portfolio.

Glade will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Master Fund or other accounts solely because Glade purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another account or the Master Fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Master Fund or the other account.

In particular, when the Master Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain securities than the other accounts in order to obtain its desired risk and portfolio size. Conversely, when other accounts ramp up their investment and trading strategies, the Master Fund may receive reduced or no allocations of certain securities.



**Trade Errors**

In the event of a trade error, any loss in the Funds occurring as result of Glade shall be reimbursed to the Funds by Glade and any gains shall be retained by the Funds.

Trade errors involving transactions in any account directly or indirectly held by the Master Fund or any derivatives contract or other similar agreement of the Master Fund and/or any trading vehicle (each, a “**Trade Error**”) may occur. Trade Errors include the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities the account intended to trade; the sale of a security when it should have been purchased; the purchase of a security when it should have been sold; the purchase or sale of the wrong security; and the purchase or sale of a security for the wrong account and the post-settlement discovery of such purchase or sale. Trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error.

Such errors may result in losses or gains. Glade will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, Glade will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Master Fund to Glade and its affiliates and personnel, Glade and its affiliates and personnel will generally not be liable to the Master Fund for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Master Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Master Fund, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Master Fund (and not Glade) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. Glade will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. Glade will reimburse the Master Fund for losses for which Glade is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by Glade on behalf of the Master Fund, Investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Funds’ respective Offering Documents, the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Glade’s personnel.

**Item 13: Review of Accounts**

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Glade performs daily reviews of the Funds’ portfolios, as well as various other periodic formal and informal reviews.

Investors in the Funds generally receive quarterly investor letters, as well as monthly account statements. Glade may, in its discretion, provide certain investors with additional information on a more frequent basis upon request. In addition, Glade issues investors tax reports, as well as audited financial statements concerning their respective Funds within 120 days of the end of the Fund’s fiscal year.

**Item 14: Client Referrals and Other Compensation**

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Although Glade does not currently have and does not intend to have any third-party placement agents, Glade in the future may agree to pay third-party placement agents that refer investors to a Fund. The compensation typically paid to those placement agents includes a portion of the fixed fee and/or Incentive Allocation earned by Glade in respect of Investors referred to by such placement agents. Investors are generally not subject to any incremental fees in connection with the referral unless incremental fees are payable by the investor directly to the placement agent under the terms of the separate agreement between the investor and the placement agent (to which Glade is not a party).

The referral arrangements described above involve potential conflicts of interest because the placement agent may have an incentive to favor sales of interests in a Fund over sales of other investment products for which the agent will receive no or lower fees. Prospective and existing investors should consider this potential conflict of interest when evaluating any recommendation or referral by an agent regarding an investment in a Fund.

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**Item 15: Custody**

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Glade will comply with the requirements of Rule 206(4)-2 of the Advisers Act ("**Custody Rule**") with regards to Glade's custody of the Funds' assets. Glade is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

Glade does not expect to be required to comply (or expects to be deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that (i) each Fund be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB), (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), and (iii) each Fund distributes its audited financial statements to all Investors in the relevant Fund(s) within 120 days of the end of its fiscal year.

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**Item 16: Investment Discretion**

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Glade has full discretionary authority to manage the Funds, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Glade's authority is limited by its own internal policies and procedures and each Fund's investment guidelines. These terms are set out in the Offering Documents of each Fund.

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**Item 17: Voting Client Securities**

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***Proxy Voting Policies and Procedures***

Glade has established proxy voting policies and procedures designed to ensure that proxies, to the extent Glade has been delegated authority to vote such proxies on behalf of the Funds and elects to vote, are voted in the best interest of the Funds. When voting proxies, Glade must identify and address material conflicts that may arise between Glade's interests and those of the Funds. Specifically, Glade monitors the potential for conflicts of interest that might arise from personal relationships that Glade or its employees may have with parties involved in the vote, significant Investor relationships with those parties, and other special circumstances.

Glade will vote proxies as it deems necessary or appropriate, on a case by case basis. Prior to voting, the CCO will determine whether the conflict is material to the vote and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration.

Investors or clients may also contact Glade via e-mail or telephone to request a copy of its proxy voting policy.

***Class Action Participation Procedures***

To the extent that Glade has discretion to participate in class action lawsuits filed against companies or issuers in which the Funds are invested, Glade may participate in such class action lawsuits if it believes that such participation is in the best interest of the Funds on a case-by-case basis.

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**Item 18: Financial Information**

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Glade has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors and has not been the subject of a bankruptcy proceeding.