

GENERATE ADVISORS, LLC

111 West 33rd Street
New York, NY 10120

Form ADV Part 2A

March 29, 2024

This brochure provides information about the qualifications and business practices of Generate Advisors, LLC (“Generate” or the “Adviser”). If you have any questions about the content of this brochure, please contact Rachel Presa, Chief Compliance Officer, at rachel.presa@klimllc.com. The information in this brochure has not been approved or verified by the Securities Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training. Additional information about Generate will also be available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure, dated March 29, 2024, contains routine annual updates to the prior brochure and does not contain any material changes.

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Item 4. Advisory Business

Generate Advisors, LLC (“Generate” or the “Adviser”) was formed on April 12, 2021. The Adviser’s principal office and place of business is located in New York, New York. Kennedy Lewis Investment Management LLC is the principal owner of Generate. Generate is overseen by a board of managers which consists of Rizwan Ahkter, David Chene, Douglas Logigian, Darren Richman and William Vratos. Generate is affiliated with Kennedy Lewis Management LP, an SEC registered investment adviser and other entities owned by Kennedy Lewis Investment Management LLC.

Generate is an investment adviser that manages the assets of collateralized loan obligations (collectively, the “CLOs” or the “Clients”). In this role, Generate is referred to as the “Collateral Manager” of the CLOs.

For information about the investment strategy of Generate, see the discussion under Item 8 below. Further, details regarding the investment objective for the CLOs can be found in the CLOs’ offering documents.

Generate does not tailor advisory services to the individual needs of investors in the CLOs.

Shares in the CLOs will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”); nor will the CLOs be registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, shares in the CLOs will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

As of December 31, 2023, Generate managed \$5,228,866,919 in regulatory assets under management, all on a discretionary basis.

Item 5. Fees and Compensation

Advisory Fees and Compensation.

The Adviser charges a management fee and is entitled to performance-based compensation in accordance with the respective CLO's governing documents. The information provided in this brochure regarding fees and expenses is not intended to be complete or final and is qualified in its entirety by the governing documents. Prospective investors should read and review the governing documents of the respective CLO to fully understand the types of fees and expenses that are borne by the CLOs.

The Adviser generally receives an annual management fee of between 25-42 basis points from the investors in the debt and equity tranches of each CLO, paid quarterly in arrears, based on the applicable asset amount on the relevant quarterly cut-off date for such CLO. The management fee usually comprises a "senior management fee" and a "subordinated management fee," each of which are paid in accordance with a priority of payments.

In addition, the Adviser is entitled to receive an incentive fee that accumulates on each quarterly payment date. The incentive fee is generally at a rate equal to 20.0% of any remaining proceeds after the most subordinated CLO Securities (as defined below) have realized an internal rate of return of at least 12.0% per annum.

Expenses.

Each CLO bears its organizational ordinary operating expenses and other fees and expenses incurred in relation to the CLO, other than the operating expenses of the Adviser all as further described in the CLO's offering documents; provided, however, that the following expenses shall generally be reimbursed by the CLOs, subject to the limitations contained in the Priority of Payments (i) annual software licensing fees incurred by the Adviser in the performance of its obligations, (ii) any expenses (including legal fees) incurred by the Adviser in connection with the evaluation, acquisition, holding, monitoring, marking-to-market, enforcement, amendment, default, evaluation, transfer, workout, restructuring, bankruptcy, enforcing or disposition of any loan or non-loan assets in which the CLOs invest (the "Collateral Obligations"), with the evaluation of the eligibility of any Collateral Obligation, with the creation of any issuer subsidiary, the transfer of any Collateral Obligation to or from any issuer subsidiary including, without limitation, any and all rating agency expenses, news and quotation subscription expenses, travel costs and expenses incurred by the Adviser, the liquidation of any issuer subsidiary, and with any amendments, consents, waivers or modifications of any of the CLO's transaction documents, (iii) any reasonable travel expenses (airfare, meals, lodging and other transportation) undertaken in the performance by the Adviser of its obligations hereunder (including any reasonable expenses incurred by it to employ outside lawyers or consultants reasonably necessary in connection with the restructuring of any Collateral Obligation or Eligible Investment), (iv) any third party fees for bookkeeping, accounting, calculation agency or record keeping services obtained on behalf of the CLO, (v) any expenses incurred in obtaining advice from counsel with respect to its obligations under the Indenture, (vi) fees and expenses incurred in connection with the performance by the Adviser of any action, to the extent required by the Indenture as then in effect, (vii) any and all third party costs, fees and expenses incurred in connection with the Adviser's communications with the holders of notes reflecting an interest in CLO debt ("CLO Notes") and CLO equity tranches (collectively with CLO Notes, "CLO Securities") (including charges related to annual meetings), (viii) any and all third party expenses incurred to comply with any law or regulation related to the Collateral Obligations or the activities of the CLO and (ix) any extraordinary expenses incurred by the Adviser in the performance of its obligations under the CLO transaction documents. If the Adviser determines in its reasonable discretion that a cost or expense incurred by it and reimbursable above is

attributable to the CLO and one or more other clients of the Adviser, the Adviser shall allocate such cost or expense to the CLO and such other client or clients in a manner that it believes is fair and equitable.

Pooled investment vehicles managed by an Affiliated Advisor of Generate from time to time invest in the equity and debt tranches of one or more CLOs to which Generate serves as collateral manager. Such investors will be obligated to bear their respective proportionate share of Generate CLO-level administrative expenses, but will not pay management fees or performance compensation with respect to the investments in the Generate CLOs.

The allocation of expenses by Generate between it and any CLO and among the CLOs represents a conflict of interest for Generate. To address this conflict, Generate has adopted and implemented policies and procedures for the allocation of expenses. Generate allocates expenses to each CLO in accordance with the CLOs' arrangements with Generate (including applicable client disclosures). If a particular expense relates to one or more CLOs or the Adviser, the Adviser will allocate the expense in a manner it considers equitable to all accounts and in accordance with its allocation policy and the governing documents of the respective CLOs. Generate seeks to allocate shared expenses for products and services benefitting Generate and the CLO and not covered in the CLO's arrangements in a fair and reasonable manner, in accordance with the Adviser's allocation policy.

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

As disclosed above, in addition to the management fee, Generate will also be entitled to be paid a performance-based incentive management fee from the CLOs.

The fact that Generate will be compensated based on profits may create an incentive for Generate to make investments, on behalf of Clients, that are riskier or more speculative than would be the case in the absence of such compensation. In addition, certain Generate personnel are compensated on a basis that includes a performance-based component.

The Investment Advisers Act of 1940 restricts the payment of performance-based fees to investment advisers registered under such act. However, SEC Rule 205-3 permits the payment of performance-based compensation to registered investment advisers provided that the clients (including investors in investment vehicles such as the CLOs) meet certain financial qualifications.

The offerings of interests in the CLOs will be structured to comply with this rule and accordingly the CLOs will only accept subscriptions from investors who meet the qualifications set forth in Rule 205-3. Investors in the CLOs should refer to the respective CLOs' offering documents for complete information on the corresponding fees charged by Generate.

In addition, a conflict of interest exists where Generate has an economic incentive to allocate potentially more favorable investment opportunities to accounts that have a performance-based fee structure. To address these risks, Generate has adopted policies and procedures to address conflicts of interest relating to the management of multiple accounts. These policies and procedures ensure the fair allocation of investment opportunities among all of Generate's Clients.

Item 7. Types of Clients

Generate provides investment advice to the CLOs. Underlying investors in the CLOs may include, but are not limited to, institutional investors such as trusts, endowments, foundations, corporates, sovereign wealth CLOs, pension and profit-sharing plans, as well as to high net worth investors. All investors, among other requirements, must be: (i) accredited investors as defined in Rule 501(a) of Regulation D under the Securities Act of 1933; and (ii) either qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act, or knowledgeable employees as defined in Rule 3c-5 under the Investment Company Act.

An investor in the CLOs must be a “qualified purchaser” within the meaning of the Investment Company Act of 1940 and an “accredited investor” within the meaning of Regulation D of the Securities Act of 1933. The CLOs impose minimum investment limits upon investors that can be waived in certain circumstances, as set forth in the CLO Documents.

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

The methods of analysis, investment strategies and material risks applicable to Generate's advisory services are set forth in the offering documents of the CLOs.

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Generate follows an investment process that includes idea generation, credit analysis, investment and monitoring and risk management. Generate's credit analysis process includes bottom-up research, relative value analysis and structural analysis. Generate pursues a CLO issuance strategy that supports its approach of seeking actively managed risk while protecting the downside.

RISK OF LOSS

Securities investments risk the loss of capital; there can be no assurance that the CLOs will not incur losses.

The descriptions contained below are a brief overview of different market risks related to Generate's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the CLOs.

Investments in the CLOs will be suitable only for investors who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investments and who meet the conditions set forth in the CLO's offering documents. There can be no assurance that the CLOs will achieve their investment objectives. Investment in the CLOs will involve significant risks and while the following summary of certain of these risks must be carefully evaluated before making an investment in the CLOs, the following does not intend to describe all possible risks of such an investment. Investors should refer to the respective CLO's offering documents for further information.

GENERAL INVESTMENT RISKS

General Economic Conditions. From time-to-time, capital markets may experience periods of disruption and instability. Among the sectors of the global credit markets that have experienced particular difficulty in recent years are the collateralized debt obligations and leveraged finance markets. There exist significant risks for the CLOs and their investors as a result of these economic conditions. These risks include, among others, (i) the likelihood that the CLOs will find it more difficult to sell any of their assets in the secondary market, thus rendering it more difficult to dispose of such assets, (ii) the possibility that, on or after the closing date for each CLO, the price at which assets can be sold by the CLOs will have deteriorated from their effective purchase price, (iii) the illiquidity of the CLO Notes, as there is currently little or no secondary trading in securities issued in connection with collateralized debt obligation transactions, and (iv) asymmetric movement in interest rates, including, potentially, an increase in the rate at which the CLO Notes bear interest relative to the spreads on loans, including Collateral Obligations. These risks may increase the volatility of the Collateral Obligations and the CLO Notes and may affect the returns on the CLO Notes to investors and the ability of investors to realize their investments in CLO Notes prior to their stated maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans has stalled. As well as reducing opportunities for the CLOs to purchase assets in the primary market, this is likely to heighten refinancing risk in respect of maturing Collateral Obligations. These additional risks may affect the returns on the CLO Notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. The slowdown in growth or commencement or continuation of a recession in the world economies will have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the assets. It is possible that the assets will experience higher default rates than anticipated and that performance

will suffer. During the most recent recession, some leading global financial institutions were forced into mergers with other financial institutions, were partially or fully nationalized or became bankrupt or insolvent. A future bankruptcy or insolvency of a major financial institution may have an adverse effect on the CLOs, particularly if such financial institution is the administrative agent of a leveraged loan or a seller of a participation interest. In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, could trigger additional crises in the global credit markets and overall economy, which could have a significant adverse effect on the CLOs, the assets and the CLO Notes.

Conditions in Europe May Adversely Affect Holders. Certain of the Collateral Obligations may be issued by obligors located in the European Union (“EU”) or otherwise affected by the strength of the euro. European financial markets have experienced volatility and have been adversely affected by concerns about rising government debt levels, credit rating downgrades, and possible default on or restructuring of government debt. At times, these events have caused bond yield spreads (the cost of borrowing debt in the capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain eurozone countries. The governments of several member countries of the EU have experienced large public budget deficits, which have adversely affected the sovereign debt issued by those countries and may ultimately lead to declines in the value of the euro.

Geopolitical Risk. Social, economic, political, and other conditions and events (such as natural disasters, epidemics, and pandemics, terrorism, conflicts, and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including on collateralized debt obligations and leveraged finance markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region, or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by misguided or faulty responses, or failure to adequately respond, by governments and societies to an emerging event or threat.

Significant political, social, and economic conditions and events, such as Brexit, the COVID-19 pandemic, supply chain disruptions, increasing or volatile interest rates and inflationary environments, the Russia/Ukraine conflict, the Israel/Hamas conflict, and further spread of conflict in the region, as well as escalated tensions globally, have created substantial uncertainty. While the specific source, nature, and impact of any events that create uncertainty is inherently difficult to predict, uncertainty can both create and exacerbate risk, even for investments made in established markets. Some of the risks associated with political, economic, and social uncertainty include: greater volatility in asset prices, value and performance; changes in interest rates and prevailing credit spreads; increased risk of default by obligors of loans; greater social, economic, and political instability (including the risk of war or natural disaster); increased risk of nationalization and greater governmental involvement in the economy; increased regulatory restrictions and oversight; downgrades by rating agencies; lack of liquidity; and difficulties in obtaining and/or enforcing legal judgments. During times of uncertainty the capital markets often become volatile. Monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations might be extremely aggressive or insufficient. Markets experiencing political uncertainty can have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates can have negative effects on such countries’ economies and securities markets. Additionally, uncertainty creates a greater risk of escalation of conflicts, such as trade wars, sanctions, or military actions, in times or locations that are experiencing social, economic, or political uncertainty and such an escalation, in turn, can increase the level of uncertainty experienced. Escalation of conflicts can lead to: higher prices; disruption in infrastructure; impairments to the supply chain; imposition of taxes, tariffs, duties, and/or sanctions (and retaliatory measures in response thereto); rerouting of long-standing trade relationships; exacerbation of global supply

and pricing issues; reduction and scarcity of key resources; migration and other dislocations; failed debt payments; and currency devaluations.

Given the ongoing and dynamic nature of recent market disruption and instability, it is difficult to predict the full impact of these conditions the collateralized debt obligations and leveraged finance markets. The extent of any such impact will depend on future developments, which are highly uncertain, including the duration or reoccurrence of any potential business or supply chain disruption, changes in interest rates and inflation rates, the conflicts between Russia and Ukraine and Israel and Hamas and any further spread of conflict, health epidemics and pandemics, and the actions taken by governments in response to these conditions.

Collateral Obligation Performance May Not Continue to Improve. Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in a further economic decline that could delay an economic recovery and cause a further deterioration in loan performance generally. There is no way to determine whether such trends in the credit markets will continue, improve or worsen in the future.

Illiquidity in the CDO, Leveraged Finance and Fixed Income Markets May Affect the Holders of the CLO Notes. Recent events in the collateralized debt obligation (“CDO”) (including CLO), leveraged finance, fixed income and sovereign debt markets have contributed to liquidity issues, which at times have been severe, in the global credit markets. The financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such obligations. During periods of limited liquidity and higher price volatility, the CLOs’ ability to acquire or dispose of Collateral Obligations at a price and time that the CLOs would deem advantageous may be severely impaired. As a result, in periods of rising market prices, the CLOs may be unable to participate in price increases fully to the extent that they are unable to acquire desired positions quickly; and the CLOs’ inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the CLOs when Collateral Obligations are sold. Furthermore, significant additional risks for the CLOs and investors in the CLO Notes exist. Those risks include, among others, (i) the possibility that, after the closing date for each CLO, the prices at which Collateral Obligations can be sold by the CLOs will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the CLOs to sell their assets in the secondary market may be impaired, and (iii) increased illiquidity of the CLO Notes because of reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the CLO Notes to investors or otherwise adversely affect holders of the CLO Notes.

Regardless of current or future market conditions, certain Collateral Obligations purchased by the CLOs will have only a limited trading market (or none). The CLOs’ investment in illiquid debt obligations may restrict their ability to dispose of investments in a timely fashion and for a fair price, as well as their ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments.

In addition, the liquidity crisis has adversely affected the primary market for a number of financial products, including leveraged loans, which may reduce opportunities for the CLOs to purchase new issuances of Collateral Obligations. Furthermore, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the CLOs to purchase loans entered into in connection therewith may be partially or significantly limited. The impact of the liquidity crisis on the global credit markets may adversely affect the management flexibility of the Collateral Manager in relation to the portfolio and, ultimately, the returns on the CLO Notes to investors.

Cyber Security Breaches and Identity Theft, Privacy Breaches, and Other Threats. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency in the future. The information and technology systems of the Adviser or a service provider are vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors or malfeasance by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they can steal, publish, delete or modify private and sensitive information. Although the Adviser has implemented, and service providers may implement, various measures to manage risks relating to these types of events, such measures could be inadequate and, if compromised, information and technology systems could become inoperable for extended periods of time, cease to function properly, or fail to adequately secure private information. Even with sophisticated prevention and detection systems, breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage could be not identified in a timely manner or at all, potentially resulting in further harm and precluding appropriate remediation. The Adviser and/or the CLOs could have to make significant investments to fix or replace information and technology systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser, the CLOs, and/or their service providers and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and their beneficial owners) and the intellectual property and trade secrets of the Adviser. Such a failure could harm the reputation of the Adviser and/or the CLOs, require them to make a significant investment to remedy the effects of any such failures, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance. When such issues are present with regard to the issuer of securities in which a CLO invests, the CLO's investment in those securities can lose value.

Assumption of Catastrophe Risks; Effects of Public Health Emergencies. The CLOs may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or obligors of Collateral Obligations (or has a material negative impact on the operations of the Adviser or service providers), the risks of loss can be substantial and could have a material adverse effect on the CLOs and their respective investments.

Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact the CLOs, borrowers and CLO investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact the CLOs, borrowers and the CLOs' investments. The recent pandemic and any future outbreaks could have an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the ability of lenders to originate loans, the volume and type of loans originated, and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by the CLOs and returns to the CLOs, among other things. In particular, these additional risks and market disruptions have materially and adversely affected (and may continue to materially and adversely affect) the ability of certain obligors to make payments on Collateral Obligations and the ratings applicable to Collateral Obligations and their rated obligors.

In addition, disruptions in the capital markets caused by the recent pandemic have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on the CLOs' business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase the CLO's funding costs or limit the CLOs' access to the capital markets. These events have limited and could continue to limit investment originations and have a material negative impact on the CLOs and borrowers' operating results and the fair values of the CLOs' investments.

Investment in CLOs by a Generate Affiliate. Clients of an Affiliated Advisor may invest in the equity tranches of one or more CLOs to which Generate serves as Collateral Manager. Such investors will be obligated to bear their respective proportionate share of CLO-level administrative expenses, but will not pay management fees or performance compensation with respect to the investments in the CLOs. In connection with the investment in a CLO by clients of a Generate affiliate, the interests of the other equity and debt holders of the CLOs, and therefore the interests of Generate and the CLOs, may be in conflict, as Generate could be incentivized to provide favorable treatment with respect to allocation of investments or expenses to the CLOs in which its affiliate's clients have an investment.

RISKS ASSOCIATED WITH TYPES OF SECURITIES THAT ARE PRIMARILY RECOMMENDED

CLO Securities. CLO Securities are subject to various risks including the following:

- i. Limited Diversification. Certain CLOs may invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor/issuer would subject the holder of the related CLO Securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry or region would subject the holder of the related CLO Securities to a greater degree of risk with respect to economic downturns relating to that industry or region.
- ii. Leverage Risk. A Client's investment in CLO Securities may involve significant leverage. Leverage is embedded in all classes of a CLO other than the most senior tranche, with the highest leverage applicable to an investment by a Client in CLO equity securities. While the leverage presents opportunities for increasing a Client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment in a CLO would be magnified to the extent that a CLO Security is leveraged. The cumulative effect of the use of leverage by a CLO in a market that moves adversely to the CLO's investments could result in a substantial loss to the investor in the CLO with the greatest loss applicable to the equity securities issued by the CLO. When a Client invests by entering into a credit derivative transaction, leverage often will be embedded in such transaction as well, which can expose a Client to a greater risk of loss.
- iii. Risks of Investment Focus. The value of CLO Securities owned by a Client generally will fluctuate with, among other things, the financial condition of the obligors/issuers of the underlying portfolio of assets of the related CLO ("CLO Collateral"), market conditions, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. CLO Securities are issued on a non-recourse basis and holders of CLO Securities must rely solely on distributions on the CLO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CLO Collateral are insufficient to make payments on the CLO Securities, no other assets will be available for payment of the deficiency and following liquidation of the CLO Collateral, the obligations of such issuer to pay such deficiency will be extinguished.

- iv. Lower Credit Quality Securities. CLO Securities in which a Client invests may be deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. A Client may purchase CLO Securities that have ratings that have been downgraded or placed on “credit watch” for future downgrades. Lower rated and unrated securities in which a Client invests can have large uncertainties or major risk exposures to adverse conditions and can be considered to be speculative. Generally, such securities offer a higher return potential than higher rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The market values of CLO Securities also tend to be more sensitive to changes in market or economic conditions than other securities. The value of the leveraged loans underlying a CLO may also be affected by changes in the market’s perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.
- v. Liquidity of Markets. In the past fixed income markets have periodically experienced significant falloffs in liquidity. While these are often attributable to changes in interest rates or other macro-economic factors, the cause is not always apparent. During these periods of market illiquidity, a CLO may not be able to sell assets in its portfolio or may only be able to do so at unfavorable prices. Because CLO Securities themselves may be illiquid, they can be difficult to value and the valuations are often based on models or an indicative price from a dealer, rather than on prices at which the security was actually sold in the secondary market. As a result, a CLO Security may experience large movements in price.
- vi. Default and Recovery Rates of CLO Collateral. There are varying sources of statistical default and recovery rate data for loans and high yield securities acting as CLO Collateral and numerous methods for measuring default and recovery rates. The historical performance of the high yield market or the leveraged loan market is not necessarily indicative of its future performance.
- vii. Subordination of CLO Securities. Depending upon the CLO’s investment objectives/restrictions, a portion of its portfolio at times consists of subordinated CLO Securities. Subordinate CLO Securities generally are fully subordinated to the related CLO senior tranches. Thus, investments of a CLO in a particular CLO tranche can rank behind other creditors of the CLO and an investment by a CLO in the equity tranche of a CLO will rank behind all creditors of the CLO. To the extent that any losses are incurred by a CLO in respect of its related CLO Collateral, these losses will be borne first by the holders of the related CLO equity, next by the holders of any related subordinated CLO debt, and finally by the holders of the related CLO senior tranches. In addition, if an event of default occurs under the governing instrument or underlying investment, as long as any CLO senior tranches are outstanding, the holders thereof generally will be entitled to determine the remedies to be exercised under the instrument governing the CLO. Remedies pursued by such holders could be adverse to the interests of the holders of any related subordinated CLO debt or CLO equity securities. A CLO’s investments in subordinated CLO debt or equity securities may be the first to absorb any losses by the CLO on its underlying portfolio. This may result in losses on the CLO’s invested proceeds and could result in the complete loss of invested proceeds.
- viii. Mandatory Redemption of CLO Senior Tranches. Under certain circumstances, cash flows from CLO Collateral that otherwise would have been paid to the holders of its mezzanine CLO debt and the related CLO equity will be used to redeem the related CLO senior tranches. This could result in an elimination, deferral, or reduction in the interest payments, principal repayments or other payments made to CLOs who hold such CLO Securities, which would adversely impact their returns.
- ix. CLO Collateral. CLO Collateral will generally consist of senior secured assets, including commercial loans. Such loans are typically negotiated by one or more commercial banks or other financial institutions and syndicated among a group of commercial banks and financial institutions and other investors. The loans will typically be to borrowers that have below investment grade ratings (or no ratings) and will generally be leveraged companies. A description of risks associated generally with the purchase of such higher yielding investments is noted herein in this Item 8.

- x. Optional Redemption of CLO Senior Tranches. An optional redemption by a CLO of its notes could require the collateral or portfolio manager of the related CLO to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the CLO Collateral sold (and which in turn could adversely impact the holders of any related CLO equity securities, including securities held by a CLO).
- xi. Insolvency Risks. Various laws enacted for the protection of creditors apply to the issuers of the CLO Collateral.
- xii. Price Volatility Risk. The prices of the CLO Collateral are highly volatile. Price movements are influenced by, among other things: changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; U.S. and foreign political events and policies; changes in national and/or international interest rates and rates of inflation; currency devaluations and revaluations, and market sentiments. Adviser cannot control these factors and no assurance can be given that the advice of Adviser will result in profitable investments for a CLO.
- xiii. “Widening” Risk. For reasons not necessarily attributable to any of the risks set forth herein, the prices of CLO Securities in which a CLO may invest may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not trade at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.

Item 9. Disciplinary Information

Generate and its supervised persons have not been involved in any disciplinary events in the past 10 years that would be material to a client or investor's evaluation of the Adviser or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Generate is affiliated with the advisers listed below (“Affiliated Advisers”):

- Kennedy Lewis Management LP, an SEC-registered investment adviser. The general partner of each fund managed by Kennedy Lewis Management LP is a related entity of Kennedy Lewis Management LP. Generate and Kennedy Lewis Management LP are under common control and share the same physical location and certain supervised persons. Employees of Kennedy Lewis Management LP provide services to Generate pursuant to an intercompany services agreement.
- Kennedy Lewis Residential Property Income Advisors LLC, which serves as investment adviser to Kennedy Lewis Residential Property Income Company LP, is a relying investment adviser of Kennedy Lewis. Kennedy Lewis Residential Property Income Advisors LLC and Generate are under common control and share the same physical location and certain supervised persons.
- Kennedy Lewis Advisors (Switzerland) SARL, a relying investment adviser of Kennedy Lewis which is based in Geneva, Switzerland. Kennedy Lewis Advisors (Switzerland) SARL and Generate are under common control. Kennedy Lewis Advisors (Switzerland) SARL and Generate are under common control and share certain supervised persons.
- Kennedy Lewis Capital Holdings LLC, which serves as investment adviser to Kennedy Lewis Capital Company, an externally-managed, diversified, closed-end investment company that has elected to be regulated as a business development company (the “BDC”) under the Investment Company Act of 1940, as amended. Kennedy Lewis Capital Holdings LLC and Generate are under common control and share the same physical location and certain supervised persons.
- York Managed Holdings, LLC has a non-controlling, minority equity interest in Generate.

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

Code of Ethics.

Generate has adopted and implemented a code of ethics (the “Code of Ethics”) pursuant to Rule 204A-1 under the Advisers Act, which requires Generate and its supervised persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in its dealings with the Adviser’s clients. The Code of Ethics also requires all supervised persons to comply with applicable federal securities laws.

The Code of Ethics, which describes rules surrounding personal securities transactions, apply to Generate’s supervised persons who are deemed to be “access persons.” These access persons are required to report certain personal securities transactions and holdings. Those personal securities transactions may raise potential conflicts with the interests of Generate’s clients. To mitigate potential conflicts of interest, Generate requires its access persons to pre-clear their personal transactions in any investments involving initial public offerings, private placements, as well as other Reportable Securities defined in Rule 204A-1 under the Advisers Act. The Adviser, however, allows its access persons to trade exchange traded CLOs, as well as other securities that are exempt from the definition, without a prior written approval.

Clients and the CLO investors, including prospective clients and investors, may obtain a copy of the Code of Ethics by contacting Rachel Presa, the Chief Compliance Officer, at (212) 782-3840.

Participation or Interest in Client Transactions.

As the Managers of the CLOs, Generate and its affiliates, as well as certain of Generate’s supervised persons have indirect beneficial interests in the investments that the CLO own. Generate and those supervised persons will share any profits and losses generated by the CLO’s investments. Furthermore, in certain situations, related persons of Generate may purchase interests in the same investments held by the CLO. Conflicts of interest may arise if Generate or its supervised persons recommend a particular transaction because of a financial interest held by any such person in such securities or interests. As previously mentioned, the Adviser has adopted the Code of Ethics to address these conflicts of interest.

As discussed above, clients of an Affiliated Advisor invest in the equity and debt tranches of one or more CLOs to which Generate serves as Collateral Manager. Such investors will not pay management fees or performance compensation with respect to the investments in the CLOs. Nevertheless, a conflict of interest still exists because, in connection with the investment in a CLO by clients of a Generate affiliate, the interests of the other equity and debt holders of the CLOs, and therefore the interests of Generate and the CLOs, may be in conflict, as Generate could be incentivized to provide favorable treatment with respect to allocation of investments or expenses to the CLOs in which its affiliate’s clients have an investment. The Adviser has adopted policies and procedures for the allocation of investments and expenses in a fair and reasonable manner and allocates expenses to each CLO in accordance with the CLO’s respective governing documents.

Insider Trading Policy.

Generate and/or its supervised persons may, in the course of their investment management and other activities, come into possession of material non-public or other confidential information (“MNPI”) about issuers, including issuers in which Generate, its affiliates, or their related respective persons have invested or seek to invest on behalf of the CLOs or other clients. Generate has adopted a policy in accordance with Section 204A of the Advisers Act, which establishes procedures designed to prevent the misuse of MNPI by Generate and its supervised persons. Generate is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a CLO. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information

and to assure that Generate is meeting its obligations to the CLOs and remains in compliance with applicable law. In certain circumstances, Generate may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security or financial instrument, but will be prohibited from using such information for the CLOs' benefit. In such circumstances, Generate will have no responsibility or liability to the CLOs for not disclosing such information to the CLOs (or the fact that Generate possesses such information), or not using such information for the CLOs' benefit, as a result of following its policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Item 12. Brokerage Practices

As investment adviser to the CLOs, Generate will be granted the discretionary authority in the relevant organizational documents and/or investment management agreements to determine which securities and what quantities of such securities are to be bought or sold. For transactions in which the services of a broker-dealer are deemed to be necessary or beneficial, Generate will also be entitled to select the broker-dealer to be used and the commission rates to be paid.

Broker Selection and Best Execution.

Generate will be authorized to determine the broker-dealer to be used for each applicable securities transaction for the CLOs. In selecting broker-dealers to execute transactions, Generate will not need to solicit competitive bids and does not have an obligation to seek the lowest available pricing. Generate may not always select a broker-dealer based on the best price, but will take into account a number of qualitative and quantitative factors. In determining the broker-dealer to be used for each securities transaction, Generate will conform to and be in accordance with the provisions of the relevant organizational documents and/or investment management agreements.

In selecting broker-dealers and negotiating compensation arrangements, Generate will typically take into account a range of factors, including: transacting parties' ability to source investments in a responsible and efficient manner, historical net prices (after markups, markdowns and other transaction-related compensation); transacting parties' execution, clearance, and settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity, and quality of research and other services and products the transacting party provides. Generate may place transactions with a broker-dealer that (i) provides the Adviser with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers clients or limited partners to other products advised by Generate, if otherwise consistent with seeking best execution, provided Generate is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of Clients/investors. Clients may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

Soft Dollars.

Generate has not entered into, and does not intend to enter into, any formal soft dollar arrangements but may receive products or services from broker-dealers and other counterparties that to the best of Generate's knowledge are generally made available to all institutional clients doing business with these counterparties. These products and services are made available to Generate on an unsolicited basis and without regard to transaction costs paid by the CLOs or the volume of business Generate directs to these counterparties.

Item 13. Review of Accounts

Positions held by the CLOs will be continuously monitored and reviewed by the investment advisory personnel of Generate. CLOs will also be subject to reviews in the context of the Clients' stated investment objectives and guidelines on an ongoing basis. Additional reviews may be triggered by material changes in variables such as the CLO's specific circumstances, or the market, political or economic environment.

Generate may also prepare and deliver to such investors any additional information that Generate deems pertinent or any information upon request.

Item 14. Client Referrals and Other Compensation

From time to time, Generate has and will continue to engage third-party underwriters to solicit investors to invest in the CLOs.

Item 15. Custody

Generate does not serve as the qualified custodian of any of the assets owned by the CLOs and does not maintain physical custody of any certificated securities or cash owned by the CLOs.

Item 16. Investment Discretion

Generate will accept discretionary authority to manage securities accounts on behalf of its Clients.

As Collateral Manager to the CLOs, Generate will be granted the discretionary authority in the relevant organizational documents to determine which securities, and what quantities of such securities, are to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid, if any.

Allocation and Aggregation of Orders.

Although not required, Generate may aggregate transactions on behalf of more than one Client or between the CLOs and pooled investment vehicles managed by Generate's affiliate. If so, such transactions will be allocated to all participating Client accounts in a fair and equitable manner. Consistent with each participating Client's offering document or investment management agreement, Generate may aggregate orders for more than one Client to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges.

Pro-rata allocation is pursued when the size of the security being purchased provides for an equal opportunity to all participating Client accounts to share in the security based on each account's assets under management without creating odd lots for the other accounts. In the event of a partial fill, the order is generally allocated among the participating Client accounts based on the size of each account's original order, subject to rounding in order to achieve round lots. If the partial fill is too small to allocate in a meaningful manner, Generate may decide to allocate the shares to a single client.

Notwithstanding the above, pro-rata is not always the allocation method utilized for purchases or sales because it is not always appropriate in light of the relevant Client account's strategic mandates, including, but not limited to, the size of the account, the size of the position, liquidity, leverage, cash availability and cash needs, and whether the account is new and in a "ramp-up" stage. Again, in all such cases, Generate intends to allocate purchase and sale opportunities in a fair and equitable manner and maintain appropriate documentation of the allocation methodology.

Generate retains discretion to select an alternative means of allocation. Where a trade is allocated in a manner other than as described above, Generate will ensure that the chosen means of allocation is documented prior to completion of the order and that the allocation method chosen has been approved by the Chief Compliance Officer.

Cross Trades.

Generate may engage in cross transactions in which a security is crossed between Client accounts. Cross transactions enable Generate to effect a trade between two CLOs for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Generate has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions, including with respect to a decision to enter into such transactions and with respect to valuation, pricing and other terms. Because Generate represents the interests of both the seller and the buyer in a cross transaction, the CLOs or other clients for which Generate executes cross transactions bear the risk that other CLOs or clients in the cross transaction will be treated more favorably, especially where the other party pays a higher investment management or performance compensation. The CLOs also bear the risk that the price of a security bought or sold through a cross transaction may be less favorable than it might have been had the transaction been executed in the open market, the risk that they receive a security that is difficult to dispose of in a market transaction. Generate will only engage in the cross transaction if the transaction is deemed advantageous for each participant. In these instances, Generate shall only engage in cross transactions with the approval of the

conflicts advisory board, where applicable pursuant to the governing documents of the relevant CLOs. Cross transactions will be effected by Generate only to the extent permitted by applicable law. In no instance will Generate receive additional compensation when crossing trades for Client accounts. Cross transactions between CLOs or other client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless consent has been obtained. Generate will seek to ensure that the terms of the transaction, including the consideration to be paid or received, are fair and reasonable, and the transactions are done for the benefit of the participating Clients.

Trade Errors.

Generate will establish trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

Generate's general policy will seek to identify and correct any trade errors promptly and in a way that mitigates any losses. Trade errors in a CLO will be borne by the CLO unless an error is the result of gross negligence, willful misconduct or violation of applicable laws by Generate. Generate does not provide reimbursement for lost opportunity costs. To the extent that the ERISA fiduciary standard applies to trading in the private CLOs' accounts, in the event of a trade error, such private CLOs will not bear any losses, and will keep any gains.

Item 17. Voting Client Securities

Given Generate's investment strategy, Generate is generally not required to vote proxies on behalf of the CLOs. To the extent Generate is required to vote proxies on behalf of the CLOs, Generate will adopt and implement written policies and procedures governing the voting of Client securities in accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act.

Proxies must be voted with diligence, care, and loyalty. Generate votes each proxy in accordance with its fiduciary duty to its Clients. Generate seeks to vote proxies in a way that maximizes the value of Clients' assets.

The CLOs are not permitted to direct their votes in a particular solicitation.

Clients will be able to obtain a copy of Generate's Proxy Voting policy and procedures or information with respect to the Adviser's proxy voting record as it relates to their account by submitting a request to the Chief Compliance Officer, whose contact information can be found on the cover page of this brochure.

Item 18. Financial Information

This Item is not applicable.