

ITEM 1: COVER PAGE

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This brochure (this “Brochure”) contains information about the qualifications and business practices of Christofferson, Robb & Company, LLC (“CRC”). If you have questions about its contents, please contact Wais Baryalai, Chief Compliance Officer, at (212) 489-4341 or compliance@christoffersonrobb.com. Additional information about CRC is available at www.adviserinfo.sec.gov.

CRC is registered as an Investment Adviser with the United States Securities and Exchange Commission. Registration does not imply a level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

ITEM 2: MATERIAL CHANGES

A summary of material changes since the last annual update of this Brochure is as follows:

- Item 4 was amended to improve the description of CRC's business;
- Items 5 and 6 were amended to include additional disclosures regarding management fees, performance fees or allocations, and expenses borne, or that are expected in the future to be borne, by CRC Clients;
- Item 8 was amended to clarify the descriptions of strategies employed by CRC Clients and to reflect additional risk factors;
- Item 10 was amended to clarify CRC's and certain of its personnel registrations or designations with the Commodity Futures Trading Commission and the National Futures Association;
- Item 11 was amended to clarify certain CRC policies and procedures as well as include a non-exclusive list of conflicts of interest; and
- Item 14 was amended to include additional disclosures regarding CRC's relationship with Christofferson, Robb & Company (UK) LLP.

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ITEM 4: ADVISORY BUSINESS

A. The firm and its principal owners

Christofferson, Robb & Company, LLC (“CRC”) is a Delaware limited liability company with its principal place of business at 720 Fifth Avenue, New York, NY 10019-4107. CRC has been registered as an Investment Adviser with the U.S. Securities and Exchange Commission (the “SEC”) since 2002 and is principally owned by Richard Robb (the “Principal”).

B. Types of services offered

CRC offers investment advisory services and management to private funds (the “CRC Funds”) and managed accounts (the “CRC Managed Accounts” and together with the CRC Funds, the “CRC Clients”). The CRC Managed Account clients and the investors in the CRC Funds include institutions and high net worth individuals and generally qualify as “accredited investors” and “qualified purchasers.” CRC’s investment advice is based on the merits of the securities involved and on the investment guidelines and restrictions of the CRC Clients. The CRC Funds offer shares or interests (collectively, “shares”) pursuant to exemptions from registration. The CRC Funds are exempted companies or limited partnerships incorporated or registered in the Cayman Islands, except in the case of CRC Single Investor Fund X, LLC, CRC Bond Opportunity Trading Fund, LP and CRC Single Investor Fund XIX LLC, which were formed in the state of Delaware, USA; and CRC CRF V Europe SCSp-RAIF, which was organized in Luxembourg.

C. Tailoring of services

CRC provides investment advisory services to the CRC Clients subject to the terms of the respective offering memorandum, limited partnership agreement, or investment management agreement, as applicable (“Governing Documents”). Advice is based on CRC’s research and expertise in the investment sectors targeted by each CRC Client.

As the investment manager, CRC selects and executes the sale and purchase of securities for the CRC Clients, manages cash, foreign exchange, and hedging, and directs the activities of the CRC Clients’ administrators, custodians, and prime brokers as applicable.

CRC does not tailor the advisory services provided to the CRC Funds to address the needs of any particular investor, but the services provided to the CRC Managed Accounts are individually negotiated with the relevant client and are reflected in the applicable Governing Document.

D. Assets under management

CRC’s total regulatory assets under management were approximately \$8.1 billion as of December 31, 2023. All assets are managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

A. Investment Advisory Fees

CRC generally receives management and performance fees for the investment advisory services it provides. Management fees are based on net assets; they can be assessed monthly or quarterly, and the timing of payment (i.e. advance or arrears) depends on the agreement with the relevant CRC Client. Management fees may be pro-rated for contributions and withdrawals made during a calculation period.

CRC is usually eligible to receive a performance fee based on a percentage of the net profits of a CRC Client's account, often subject to a high water mark or hurdle (see ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT).

Negotiability of fees

Fees are established at the inception of each CRC Client mandate and are disclosed to prospective CRC Fund investors in the Governing Documents. Investors who are principals or employees of CRC and their affiliates as well as officers or directors of current or former service providers or outside advisors of certain CRC Clients pay no management or performance fees.

B. Deduction of fees from the CRC Client's account

In relation to the CRC Funds, management fees and performance fees or incentives are paid or allocated to CRC (or its affiliates) by each CRC Fund's administrator.

In relation to the CRC Managed Accounts, CRC typically receives payment for such fees earned (monthly or quarterly) for any reference period by issuing an invoice directly to the CRC Managed Account client, but other arrangements are possible.

C. Additional fees or expenses

CRC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that the CRC Clients may, and often do, incur.

Additional fees that may be incurred by a CRC Client, or that CRC may pay and seek reimbursement for, are set forth in the Governing Documents of each CRC Client. These expense items include organizational and operating expenses including, without limitation: (i) accounting, bookkeeping and auditing fees and expenses (including the allocable share of the costs, fees and expenses relating to internal accounting and tax preparation functions); (ii) legal fees and expenses, including, but not limited to, fees and expenses incurred in connection with any CRC Fund contracts or other investments or activities of a CRC Fund; (iii) fees and disbursements of a CRC Fund's, its general partner's or CRC's lawyers, accountants, consultants and other third parties performing work benefiting the CRC Fund (including, without limitation, the legal and other fees, costs and expenses of the CRC Fund in any threatened or actual litigation or governmental investigation or proceeding, and the amount of any judgments or settlements paid in connection with such litigation, or fines or penalties levied as a result of any such proceeding or investigation); (iv) trading expenses and transaction

costs, including, but not limited to, brokerage commissions and expenses relating to clearing and settlement charges, interest on loans and debit balances, margin costs, broker service fees and other clearing and custodial expenses; (v) fees (including legal fees incurred for the benefit of a CRC Fund or its investments or other activities) or assessments in connection with any regulatory registrations, qualifications and/or approvals of a CRC Fund, its general partner, or CRC and related compliance fees and expenses; (vi) fees of a CRC Fund's registered agent; (vii) the cost of preparation and distribution of reports and statements to investors; (viii) filing and recording fees; (ix) fees and out-of-pocket disbursements referable for payment by a CRC Fund and charged by an administrator or any custodian, as well as bank service fees, and fees or expenses associated with insuring the CRC Fund's assets; (x) expenses incurred by a CRC Fund in respect of any indemnification obligations; (xi) applicable taxes or levies payable (if any) by a CRC Fund; (xii) due diligence, legal, and research expenses of CRC for arranging, negotiating and executing investments; (xiii) valuation expenses (if any); (xiv) reasonable out-of-pocket expenses of the members of any advisory board or board of directors incurred in connection with their activities on behalf of a CRC Fund; (xv) costs of liquidation of any CRC Fund; and (xvi) expenses relating to general meetings of investors. Unless otherwise provided in a CRC Fund's Governing Documents, CRC Funds may, and often do, reimburse CRC for all other expenses, costs or liabilities that are similar to those set forth in clauses (i) through (xvi) above.

The fees and expenses for the CRC Managed Accounts are negotiated on a client-by-client basis, but are expected to include many of the expenses listed above.

D. Advance fees

Certain CRC Clients are assessed management fees in advance. If a CRC Managed Account client terminates its agreement prior to the end of the applicable advance payment period, CRC will refund a pro-rata portion of the management fee. Investors in CRC Funds who withdraw or redeem prior to the end of an assessment period will generally receive credit for a pro-rata portion of the management fee.

E. Compensation for sale of securities or other investment products

CRC does not assess sales or service charges in connection with the purchase or sale of securities by the CRC Clients.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

CRC (or its affiliates) receives performance-based fees or allocations from certain CRC Clients, which are often subject to (i) a high-water mark and (ii) a hurdle return. CRC and its supervised persons generally only manage accounts that are subject to management and performance fees or allocations; however, in at least one case, CRC advises a CRC Client that does not pay any management or performance fees or allocations.

Differences in the compensation arrangements among the CRC Clients, particularly when some of the CRC Clients are charged performance-based fees or allocations and others are not, create an incentive for CRC to allocate investment opportunities to those CRC Clients who pay higher compensation. However, in CRC's situation, these conflicts are mitigated by the fact that the CRC Client(s) that are not subject to a management or performance fee exist for the purpose of facilitating the allocation of capital to the CRC Client base that are subject to such fees by allowing the redeployment of said capital for additional investments.

Performance-based fees or allocations create an incentive to make investments that are riskier or more speculative than would be the case if such fees or allocations were not charged. This risk, and the related conflicts, are mitigated by CRC's overall risk and exposure management processes.

In measuring the assets of the CRC Clients for the calculation of performance-based fees or allocations, CRC includes realized and unrealized capital gains and losses. The performance fee or allocation of relevant CRC Clients generally ranges between 10% and 30%.

ITEM 7: TYPES OF CLIENTS

Investors in the CRC Funds and CRC Managed Account clients include institutions such as corporations and other business entities, corporate and public pension plans, other pooled investment vehicles (e.g., funds of funds), foundations and endowments, sovereign wealth funds, as well as high-net-worth individuals.

To invest in a CRC Fund, a U.S. person must be an accredited investor (as defined under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”)) and a qualified purchaser (as defined in the Investment Company Act of 1940, and the regulations promulgated thereunder).

Minimum investments in a CRC Fund may vary based on a such CRC Fund’s structure. In certain circumstances, CRC may accept investments below the mandated minimum, at its sole discretion.

Eligibility and minimum account balances for CRC Managed Accounts are negotiated on a client-by-client basis.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Investment Strategies and Methods of Analysis

CRC Clients either employ a credit-related investment strategy (the “Credit Related Investment Strategy”) or a bond opportunity investment strategy (the “Bond Opportunity Investment Strategy”).

Credit Related Investment Strategy

Investments tend to be debt securities issued by special purpose vehicles or credit-linked notes, collateralized financial guarantees and collateralized credit default swaps. The returns usually are linked to the performance of loans (for example, portfolios of loans to small and medium enterprises (“SME Loan”), commercial and industrial loans, counterparty exposure, prime seasoned residential mortgages and equipment leases) and secondary positions with exposure to similar assets to the core clients of European banks. The transactions (each such investment, a “Risk Sharing Transaction”) usually help issuing banks to reduce risk-weighted assets, improve Core Tier 1 regulatory capital ratios, transfer the risk of credit losses and meet the minimum criteria under the Basel Bank Capital regime. CRC applies fundamental credit evaluation based on quantitative analysis and business judgment. As part of this strategy, a portion of the investments may consist of asset-backed securities, pools of non-performing loans or loans secured by pools of receivables originated by banks.

Bond Opportunity Investment Strategy

The investment objective of the Bond Opportunity Investment Strategy is to generate capital gains and current income. CRC seeks to achieve this objective by trading primarily in financial sector securities and securities that CRC perceives as subject to market dislocation as a result of financial sector regulation. However, CRC is not limited in the types of securities or financial instruments in which it invests nor is it limited in the method or strategy by which it seeks to achieve the investment objective of the Bond Opportunity Investment Strategy. The Bond Opportunity Investment Strategy is implemented on a leveraged basis. In particular, CRC actively trades fixed income securities primarily of financial issuers. CRC believes this opportunity arises in part from the forced withdrawal of banks from market-making due to Dodd-Frank in the U.S. and EMIR in Europe.

Investing in securities involves risk of loss that investors in the CRC Clients should be prepared to bear.

B. Risks

The success of the CRC Clients depends on the ability of CRC to develop and implement investment strategies to achieve the CRC Clients’ investment objectives and, with respect to the Credit Related Investment Strategy, the ability of Christofferson, Robb & Company (UK) LLP, a UK limited liability partnership that is not affiliated with CRC (the “Service Provider”) to provide research, analysis and other services to facilitate CRC’s objectives. CRC also utilizes unaffiliated service providers Christofferson, Robb & Company (Japan), Inc. and CRC

Analytics S.r.l. that provide similar services in Japan and Italy, respectively. The CRC Clients' investment performance could be materially adversely affected if one or more senior staff leaves CRC and, with respect to the Credit Related Investment Strategy, the Service Provider. CRC has wide latitude in making investment decisions and investors do not take part in such decisions or the management of the CRC Clients. The nature and type of instruments purchased and sold by the CRC Clients and the analysis necessary to implement the strategies means that the CRC Clients are particularly dependent on the analysis, experience, skills and judgment of CRC and, with respect to the Credit Related Investment Strategy, the Service Provider. In addition, the risks involved in an investment are magnified by leverage and the availability of credit. No investor should invest unless he or she can bear the risk of loss of its entire investment.

INVESTMENT RISKS

All securities investments and trading activities risk the loss of capital which investors should be prepared to bear. Although CRC attempts to moderate these risks, there can be no assurance that the CRC Clients' investment activities will be successful or that investors will not suffer losses.

The information set forth in this Brochure is qualified in its entirety by all applicable Governing Documents. In the event of a conflict between the information set forth in this Brochure and the information in the Governing Documents, the Governing Documents will prevail.

The below is a non-exhaustive list of investment risks related to CRC's advisory business. Existing and prospective investors and clients are encouraged to read this Brochure as well as the applicable Governing Documents in their entirety, including any disclosures related but not limited to investment risks.

General Economic and Market Conditions. CRC Clients may be affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international politics. These factors could affect the level and volatility of securities prices and the liquidity of the CRC Clients' investments. Unexpected volatility or illiquidity could impair the CRC Client's profitability or result in losses.

Market Disruption and Geopolitical Risk. General economic and financial conditions may affect the level and volatility of asset prices, interest rates, and the extent and timing of investor participation in the markets for both assets and securities. Unexpected volatility, illiquidity, government action, currency devaluation, or other events in global markets in which each of the CRC Clients directly or indirectly holds positions could impair the CRC Client's ability to conduct business and cause the CRC Clients to incur substantial losses.

Social and political tensions could increase market volatility, affect U.S. and worldwide financial markets and add to economic uncertainty. CRC cannot predict the timing or effects of these events on the U.S. and world economy and securities markets now or in the future. Given the risks described above, an investment in the shares of any of the CRC Clients may

not be appropriate for all investors. An investor should carefully consider his or her ability to assume these risks before making any such decision.

Credit and Liquidity Risks. The macro-economic environment and the potential systemic risk arising from illiquidity in the banking system at large could continue to contribute to market volatility and have long-term effects on the U.S. and international financial markets. CRC cannot predict the timing or effects of these events on the U.S. and world economy and securities markets now or in the future. Given the risks described above, an investment in a CRC Client may not be appropriate for all investors. An investor should carefully consider his or her ability to assume these risks before making any such decision.

Government Programs and Restrictions. Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased regulatory scrutiny of the private investment fund industry. Certain legislation proposing greater regulation of the industry periodically is considered by the U.S. Congress and foreign governments. It is impossible to predict what, if any, changes in the regulations applicable to the CRC Clients or CRC, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of a CRC Client. Regulations designed to address turmoil in financial markets may have a negative impact on a CRC Client's ability to achieve their investment objectives. These programs or restrictions may adversely affect the ability of the CRC Clients to pursue value generating or hedging strategies.

Short Sales. Certain CRC Clients may engage in short sales. Short sales are transactions in which a CRC Client sells a security it does not own (by borrowing the security) in anticipation of a decline in the market value of the security. Although the CRC Client's gain is limited by the price at which it sold the security short, losses from short sales may be unlimited if the price of the security sold short continues to appreciate. Additionally, even though a CRC Client secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing such CRC Client to purchase the security at the then prevailing market price, which may be higher than the price at which the security was originally sold short. This cost includes a rate to borrow shares that is structured as a loan of securities, which can and frequently does go negative (i.e., the fee to borrow shares exceeds current short-term interest rates) and dividend equivalent payments, which must be paid to compensate the lenders of the shares.

Speculative Transactions in Securities. The CRC Clients will make certain speculative sales and/or purchases of securities of issuers that CRC believes to be overvalued or undervalued. There can be no assurances that securities that CRC believes to be overvalued are in fact overvalued, or that overvalued securities will in fact decrease in value. Further, in such cases, a substantial period of time may elapse between a CRC Client's short sale of the securities and the actual decline in value of such securities. The same is true for speculative purchases of securities that CRC believes to be undervalued. During this period, a portion of a CRC Client's capital would be committed to the securities sold and/or purchased, and a CRC Client may finance such transactions with borrowed money on which it would have to pay interest.

Foreign Currency Risks. A CRC Client's exposures to investments in securities denominated in foreign currencies may be affected favorably or unfavorably by exchange

control regulations or changes in the exchange rate between such currencies and the base currency of the respective CRC Client. Changes in foreign currency exchange rates influence values of securities in the portfolio, as well as the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any. The rate of exchange between USD and other currencies is determined by supply and demand in foreign exchange markets, which are in turn affected by international balances of payments and other economic and financial conditions, government intervention, speculation and other factors.

Speculative Alternative Investments. The CRC Client's investment strategy and program is and /or will be speculative and an investment in the CRC Client therefore involves a high degree of risk. Such investment is only suitable for sophisticated investors who (i) have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the interests of any CRC Client, (ii) are capable of bearing all the risks of an investment for an indefinite period of time, (iii) are acquiring interests for their own account for investment and not with a view to re-sale, distribution or other disposition of any interests in the CRC Client and (iv) recognize that it may not be possible to make any transfer of the interests in the CRC Client it holds for a substantial period of time or at all or to receive any distribution out of the CRC Client for a substantial period of time or at all.

Risks Relating to Market Events. The success of the CRC Client's activities may be affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of the price, performance and liquidity of the CRC Client's investments. Unexpected volatility or illiquidity could impair the CRC Client's profitability or result in losses.

Credit markets have been experiencing a liquidity crisis, which introduces a variety of risks to the CRC Client. Such risks include, among others, difficulty in arranging debt finance on favorable terms, or at all, (i) for borrowers in connection with acquiring or re-financing investments, and (ii) for potential purchasers in connection with acquiring investments. Additional risks include the increased likelihood of a decline in credit rating and the probability of default and/or consequences upon a default of, amongst others, financial institutions, insurers, corporates and sovereigns (and persons who have a direct or indirect exposure to the these entities or sovereigns) which could adversely affect the price, performance and liquidity of the credit markets in which the CRC Client invests. Such developments have led to credible doubts being raised over the stability and *status quo* of the European Monetary Union. Any further deterioration of global credit markets could have a material adverse effect on the price, performance and liquidity of the CRC Client. It is not known at this time when the current liquidity crisis will ease and there can be no assurance that a similar crisis will not occur at a later date during the term of the CRC Client. The impact of the liquidity crisis on the primary market may have a substantial adverse effect on the returns of the CRC Client.

Concentration of Investments. While CRC will regularly monitor the concentration of the CRC Clients' exposure to related risk, a CRC Client's investment positions can at certain times become concentrated (relative to its capital) within a particular region, country, company,

industry, asset category, trading style or financial or economic market. In that event, the CRC Client's portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular region, country, company, industry, asset category, trading style or financial or economic market, than a less concentrated portfolio would be. As a result, a CRC Client's investment portfolio could become concentrated and its aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings and, consequently, the performance of such holdings could have a substantial adverse impact on the CRC Client's financial conditions and its ability to pay distributions.

Default and Counterparty Risk. To the extent that a CRC Client's investments or hedges are acquired in "over-the-counter" or "interdealer" markets, they will be subject to default and other counterparty risks. Participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as participants in exchange-based markets. This exposes the CRC Clients to the risk that counterparties will not settle transactions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the CRC Clients to suffer a loss. In addition, in the case of a default, funds could be subject to adverse market movements while replacement transactions are executed. Such counterparty risk is accentuated for contracts with longer maturities where events may prevent settlement or where a CRC Client has a single or small group of counterparties. CRC Clients face increased risk of losses by transacting business with one or a small number of counterparties, without any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement.

Leverage. CRC Clients may face additional risks by using leverage or engaging in repurchase financing. For example, if the seller of securities under a repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of bankruptcy or otherwise, CRC will seek to dispose of the securities, which could involve costs or delays and require the CRC Client to sell investments at a loss, if it is able to sell them at all. If the seller under a repurchase agreement becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, a CRC Client's ability to dispose of the underlying securities may be restricted. If the seller fails to repurchase the securities, a CRC Client may suffer a loss to the extent that proceeds from the sale of the underlying securities are less than the repurchase price. Similarly, reverse repurchase agreements involve the risk that the market value of the securities retained in lieu of sale by a CRC Client may decline below the price of the securities such CRC Client has sold but is obligated to repurchase. If the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the buyer or its trustee or receiver may receive an extension of time to determine whether to enforce its obligation to repurchase the securities and the CRC Client's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending a decision. Repurchase and reverse repurchase agreements tend to be short-term in nature and can be withdrawn on minimal notice. While borrowing and leverage present opportunities for increasing total return, they have the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the value of a CRC Client's net assets will decrease. Any event that adversely affects the value of an investment by a CRC Client would be magnified by the leverage employed. The cumulative

effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss, which would be greater than if leverage were not used. Further, most leveraged transactions involve the posting of collateral. Increases in the amount of margin a CRC Client is required to post could result in a disposition of such CRC Client's assets at times and prices, which could be disadvantageous to such CRC Client and could result in substantial losses. A creditor's claim on a CRC Client would be senior to the rights of its investors in such CRC Client.

Highly Volatile Markets. The prices of securities and other financial instruments in which a CRC Client's assets are invested can be highly volatile and influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. CRC Clients also are exposed to the failure of any of the exchanges on which their investments trade, and to the failure of their clearinghouses.

Interest Rate Risk. Changes in interest rates may adversely affect the market value of some of the assets or liabilities of the CRC Clients. Additionally, declining interest rates may affect the return on available investment opportunities. In the event of a general rise in interest rates, the value of certain investments that may be contained in a CRC Client's investment portfolio may fall, reducing the net asset value of such CRC Client. Fluctuation in rates may affect interest rate spreads in a manner adverse to the CRC Clients. Interest rates are highly sensitive to factors beyond the CRC Clients' control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

Price Volatility. Stocks, bonds and other capital instruments are inherently volatile. Such volatility may result in the value of a CRC Client's assets fluctuating from time to time more greatly than that of other investment vehicles that may be more widely diversified or which may invest in a greater variety of market sectors. There can be no assurance that CRC's investment strategy, including its hedging techniques, or other investment strategies or techniques, will be effective in protecting a CRC Client from such fluctuations.

Funding Risk. As a CRC Client can employ leverage in its investment activities, the availability and terms of credit facilities will affect investment returns. There is no assurance that credit facilities will always be available to a CRC Client on attractive terms, if at all. As a general matter, banks and dealers that provide leveraged financing to the CRC Client can apply discretionary margin, haircut, financing and collateral policies. Changes in these policies or the imposition of other credit restrictions, whether due to market factors or actions imposed by regulatory authorities, may result in large margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of forward, swap, and repurchase agreements, and cross-defaults on dealer agreements.

Fixed-Income Investments Generally. The value of the fixed-income securities in which a CRC Client may invest will generally change as the general levels of interest rates fluctuate. Generally, when interest rates decline, the value of a CRC Client's long fixed-income portfolio can be expected to rise while that of a short fixed-income portfolio can be expected to decline. Conversely, when interest rates rise, the value of a long fixed-income portfolio can be expected to decline while that of a short fixed-income portfolio can be expected to rise. CRC is not required to hedge a CRC Client's interest rate risk and although CRC may attempt to hedge

fully or partially a CRC Client's interest rate risk, CRC may fail to achieve the intended hedge or may expose a CRC Client to additional risk through the hedging transactions it enters into. The CRC Client may invest in securities rated lower than investment grade. Low-rated and comparable unrated securities likely have quality and protective characteristics that, in the judgment of a rating organization, are outweighed by large uncertainties or major risk exposures to adverse conditions, and may be predominately speculative.

Early Termination of Risk Sharing Transactions. The terms of Risk Sharing Transactions generally will permit their early termination in certain circumstances, including without limitation as a result of a Regulatory Event (as such term is defined in the documentation related to the specific Risk Sharing Transaction) and accordingly the final maturity of Risk Sharing Transactions may be significantly shorter than the scheduled maturity.

Uncertainty of Cash-Flows in Risk Sharing Transactions. The amount and timing of any distributions on the interests of a CRC Client will be closely linked to the cash-flows received from the Risk Sharing Transactions in which the CRC Client invests. There is no certainty as to the amount or timing of cash-flows that will be received from the Risk Sharing Transactions or that the amounts received will be in excess of the amount invested in the relevant Risk Sharing Transactions.

Asset-Backed Securities – General. The investment characteristics of mortgage-backed and asset-backed securities differ from traditional debt securities. Asset backed securities seek to insulate investors from consequences of a bankruptcy or insolvency of any entity whose insolvency might impair the securities' performance, but there can be no guarantee that this will be effective. For instance, the administrator or bankruptcy trustee may deem the original sale of the assets to a trust or special purpose vehicle not to be a true sale and seek to consolidate the assets within the seller's estate. In addition, insolvency of the servicer can lead to disruption of collections, increased costs or the loss of monies that have been collected by the servicer and not yet transferred to the special purpose vehicle or trust.

Evaluation of the investment merits of asset backed securities often relies on complex mathematical models. Models, such as those used by rating agencies for U.S. mortgages, have performed poorly because they invoke theoretical assumptions that abstract from the unique circumstances of each transaction. These assumptions are ordinarily untestable and are justified only based on convenience. Moreover, the models assume the future will resemble the past; this can be unrealistic when origination standards and economic conditions are constantly evolving.

Assets that are transferred to securitizations, as well as the reference portfolios of synthetic securitizations, may be subject to adverse selection. The loans or receivables that banks choose to sell may have unfavorable characteristics relative to assets that banks retain. As a result, securitized assets may underperform similar, randomly selected pools of assets. Since banks may select on factors that are unobservable to investors, and CRC may be unable to forestall the consequences of adverse selection.

Derivative Transactions. CRC Clients engage in derivative transactions such as swaps, collars, caps, floors, credit default swaps and other credit derivatives, and forwards both for

hedging purposes and as an alternative to direct investments in the underlying securities. Risks associated with derivative transactions are potentially greater than those associated with the direct purchase or sale of the underlying securities because of the additional complexity and potential for leverage. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical patterns, resulting in unanticipated losses. In addition, derivatives may create credit risk (the risk that a counterparty on a derivative transaction will not fulfill its contractual obligations), as well as legal, operational, reputational and other risks beyond those associated with the direct purchase or sale of the underlying securities to which their values are related.

Equity Securities. Investments in equity securities by a CRC Client may include a broad variety of issuers and instruments. There will be no overall requirements with respect to earnings, revenues, market capitalization or other criteria applicable to a CRC Client's investments. Accordingly, equity investments may include many securities which are speculative or are of higher risk than those of the most mature or prominent companies. A CRC Client's investment portfolio may include long and, to the extent permitted under applicable law, short positions in common stocks, preferred stocks, depositary receipts and convertible securities of U.S. and non-U.S. banks and operating companies controlled by banks. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, interest rates, general market, and economic conditions. A CRC Client generally may invest in such equity securities without restriction as to market capitalization and, thus, may invest in securities issued by smaller capitalization companies, including those with very limited market capitalizations. The prices of the securities of these smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies because they often are traded in lower volume and the earnings and prospects of these issuers may be subject to more volatility.

The CRC Client may purchase securities in all available securities trading markets, including initial public offerings and the aftermarket. The CRC Client's investments in equity securities may include securities that are listed on securities exchanges as well as unlisted securities that are traded "over-the-counter." Equity securities of companies traded "over-the-counter" may not be traded in the volumes typically found on a national securities exchange. Consequently, the CRC Client may be required to dispose of such securities over a longer (and potentially less favorable) period of time than is required to dispose of the securities of listed companies. Equities (including preferred stock) will be subordinate to the claims of a company's creditors. Dividends customarily paid to equity holders can be suspended or cancelled at any time.

Synthetic Securities. CRC Clients invest in debt securities issued by special purpose vehicles established by banks that enter into credit default swaps or financial guarantees with banks or credit-linked notes issued by banks. These securities take the form of bonds, notes or other instruments or evidences of indebtedness of the issuer. In the case of synthetic securities which are not credit linked notes, the issuer's obligation to pay principal and interest will be backed by a bank deposit or repurchase agreement. The issuer will generally enter into a credit default

swap or similar derivative transaction with a bank under which such bank transfers the risk of a reference pool of assets that would potentially include, without limitation, pools of mortgage loans, credit card receivables, counterparty exposures, loans to small and medium enterprises, lease contracts and other receivables. Such credit default swap will expose the issuer to loss tied to defaults or credit losses experienced by assets in the reference pool, in the sense that losses occurring (in excess of any subordination, as the case may be) in the reference portfolio reduce the principal and interest payments.

In the case of synthetic securities that are credit linked notes, the issuer's obligation to pay principal and interest will be a senior unsecured obligation of a bank. Principal and interest payments would be reduced by losses in a reference pool of assets that would potentially include, without limitation, pools of mortgage loans, credit card receivables, counterparty exposures, loans to small and medium enterprises, lease contracts and other receivables. Given the variety of asset classes that are involved, accurately assessing the risks of the underlying reference pools is a complex undertaking. The majority (and potentially all) of the assets of the CRC Clients are likely to be unrated and any rating assigned to notes held by the CRC Client by a credit rating agency will reflect the rating agency's assessment solely of the likelihood that noteholders will receive the payment of interest and principal required to be made under the terms of the notes and will be based primarily on the riskiness of the receivables in the trust and any credit enhancement provided. As evident in the recent and precipitous decline in the market value of securities backed by residential mortgage-backed loans which had previously been assigned solid ratings, the credit ratings of any issuance may not reliably reflect the risk of loss associated with the rated investment.

Subordinated Tranches of Asset Backed Securities and Synthetic Securities. The CRC Client is likely to, invest substantially (potentially even mainly or even wholly) a portion of its assets in subordinated or junior tranches of asset backed securities or synthetic securities, including the most deeply subordinated or junior tranches of such securities (the first lost pieces). These tranches are the riskiest tranches in the relative issuances, and subject to the highest probability of default relative to senior securities and the lowest recovery rates.

Contingent Convertible Securities Risk. The risks of investing in contingent convertible securities, including the risk that interest payments will be cancelled by the issuer or a regulatory authority, the risk of ranking junior to other creditors in the event of a liquidation or other bankruptcy-related event as a result of holding subordinated debt, the risk of a CRC Client's investment becoming further subordinated as a result of conversion from debt to equity, the risk that principal amount due can be written down to a lesser amount, and the general risks applicable to fixed income investments, including interest rate risk, credit risk, market risk and liquidity risk, any of which could result in losses to a CRC Client.

Broad Range of Securities and Investments. A CRC Client are able to invest in not only bank capital and hybrid securities, but also in equity securities, warrants, debt instruments (including defaulted debt securities, bank debt and trade claims), convertible debt, and cash and synthetic securitization and/or credit linked notes. A CRC Client can invest in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States. Trading in securities of foreign issuers often involves additional risks (such as

those associated with unfavorable changes in exchange rates) but also, in the relevant portfolio manager's view, may offer selective opportunities for unusual gains.

Swaps. The use of swaps is a highly specialized activity; the investment techniques and risks are different from those of ordinary securities transactions. Successful use of swap agreements will depend on the ability of CRC to value and trade swaps properly in light of interest rates and other applicable factors. Even if CRC is correct in its valuations and trading, the risk remains that a swap position may correlate imperfectly with the price of the asset or liability being hedged. Moreover, a CRC Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of the swap counterparty. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation; however, the swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the CRC Clients' ability to terminate previously existing swap agreements or to realize amounts to be received under such agreements. CRC Clients may engage in transactions in futures contracts, options on futures contracts and in other products traded on commodities exchanges, regulated by the Commodity Futures Trading Commission or international exchanges. Trading in futures and options on futures involves significant risks, including: (i) futures contracts and options on futures are volatile in price; (ii) futures trading is highly leveraged; and (iii) futures trading involves high transaction costs.

Risks Relating to SME Loans. A CRC Client is likely to enter into Risk Sharing Transactions with reference portfolios the reference assets of which comply with criteria to be considered a small or medium sized enterprise (an "**SME Loan**"). Investment in SME Loans involves specific risks and to the extent a CRC Client is investing in SME Loans the specific risks in respect of SME Loans are directly applicable to the CRC Client.

Risks Applicable to Small and Medium Enterprises. Investing in loans to small and medium enterprises can potentially involve greater risk and the possibility of greater price volatility than investing in loans to larger companies. Among the reasons for the potentially greater risk and greater price volatility of loans to small and medium enterprises are the less certain repayment prospects of such loans, the lower degree of liquidity of the markets for such loans, the sensitivity of small and medium enterprises to changing economic conditions and greater business risks arising from their smaller size and limited product lines, markets, distribution channels and financial and managerial resources. Small and medium enterprises are likely to face intense competition, including competition from larger companies with greater financial resources, more extensive development, production, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Small and medium enterprises may also lack technical, marketing, financial and other resources or may be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a greater adverse impact on such enterprise. A secondary market for the trading of debt instruments issued by small and medium enterprises often does not exist. Thus, there may exist no liquidity with regard to debt instruments issued by small

and medium enterprises and may make valuation of instruments referencing such instruments more subjective and/or uncertain.

Risks relating to Emerging Markets. A CRC Client is likely to enter into Risk Sharing Transactions which reference portfolios the reference assets of which are loans to SMEs or larger companies incorporated in or domiciled in or which conduct substantially all of their business within or export to or import from or are otherwise economically exposed to emerging markets. Investments in emerging markets involve specific risks and since a CRC Client is likely to invest in emerging markets the specific risks in respect of emerging markets are directly applicable to the CRC Client. Investments in emerging markets require consideration of matters not usually associated with investing in more developed and/or regulated markets, such as North America, Western Europe or Japan. Emerging markets present different political, social, economic and legal risks from those in more developed and/or regulated markets. Many of these risks are not quantifiable or predictable and may not be those typically associated with investing in more developed and/or regulated markets. The absence, until relatively recently, of capital market structures or free market economies in some emerging markets means that investing in emerging markets may be riskier than investing in more developed markets. There is no certainty as to the future economic growth of any or all emerging markets.

Political and Economic Risk. The value of a CRC Client's investments in emerging markets may be adversely affected by political, economic or social factors such as changes in law or regulations, the status of relations with other countries, restrictions on foreign investment and on foreign currency convertibility, developments in the legal, regulatory and political climate which may occur without advance notice or retrospectively, and other uncertainties in the form of unforeseen domestic or foreign political developments, civil disorder or constitutional crises which may be more likely to occur in emerging markets than in more developed markets. Abrupt changes of policy with regard to taxation, the government's fiscal and monetary policies, currency repatriation and other economic regulations may also be more likely to occur than in more developed markets, including the risk of expropriation, nationalization, or confiscation of assets or changes in legislation regarding the permissible share of foreign ownership of companies or assets.

Forward Trading. CRC Clients may engage in trading forward contracts. Forward contracts and options, unlike futures contracts, are not traded on exchanges and are not standardized; banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and the markets can experience long periods of illiquidity. There have been times when participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by CRC Clients due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to less than that which CRC

would otherwise recommend, to the possible detriment of CRC Clients. Market illiquidity or disruption could result in significant losses for CRC Clients.

Trading in Options. Certain CRC Clients may purchase and sell (“write”) options on securities, currencies and commodities on national and international exchanges and over-the-counter markets. Trading in options may be used to reduce the risks attendant to short selling, to reduce overall market exposure, or to establish or increase long or short positions. Options trading is speculative and involves a high degree of risk. The seller (“writer”) of a put option which is covered (e.g., the writer has a short position in the underlying instrument) assumes the risk of an increase in the market price of the underlying instrument above the sales price (in establishing the short position) of the underlying instrument, plus the premium received, and gives up the opportunity for gain on the underlying instrument below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying instrument, the loss on the put will be offset in whole or in part by any gain on the underlying instrument.

The writer of a call option which is covered (e.g., the writer has a long position in the underlying instrument) assumes the risk of a decline in the market price of the underlying instrument below the value of the underlying instrument less the premium received and gives up the opportunity for gain on the underlying instrument above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying instrument, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying instrument.

Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, a CRC Client may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written. In addition, the correlation between option prices and the prices of underlying securities may be imperfect and the market for any particular option may be illiquid at a particular time.

Stock options that may be purchased by a CRC Client include options not traded on a securities exchange. Options not traded on an exchange are not issued by The Options Clearing Corporation; therefore, the risk of non-performance by the obligor on such an option may be greater and the ease with which a CRC Client can dispose of such an option may be less than in the case of an exchange traded option issued by The Options Clearing Corporation. Certain CRC Clients also may purchase put and call options on stock indices as a hedge against general movements in the securities market or as a hedge against individual positions, on a temporary basis or otherwise. A stock index option is a contract which gives the buyer the right to buy, in the case of a call, or sell, in the case of a put, a specified amount of the stock index at the option exercise price. For example, the CRC Client may purchase put options on an index in anticipation of a decrease in the market value of the securities underlying the index.

The use of options on stock indices enables CRC Clients to quickly obtain exposure to the equity markets as a hedge against general movements in the securities market or to establish positions, which CRC believes may increase the return of the CRC Clients. Furthermore, if CRC anticipates a short-term change in stock prices, the purchase of options on stock indices might reduce the need to liquidate positions and possibly repurchase such positions at a later time.

Private Placements and Unregistered Securities. CRC Clients may purchase convertible securities and fixed income obligations regulated by the Securities Act. The market to resell these securities may be illiquid and the CRC Clients may need to hold them for a long time. If the CRC Clients are forced to liquidate their positions in these securities, the selling price may be at a substantial discount to the underlying value and result in a total loss on the investment. Issuers of convertible bonds and securities may default in the payment of principal and/or interest and the risk that the value of the investment may decline if interest rates rise.

Foreign Investments and Non-U.S. Securities. A portion of a CRC Client's assets may consist of foreign investments, which includes securities of non-U.S. issuers and other financial instruments denominated in various currencies from issuers in any country, developed or undeveloped. To hedge foreign currency exchange rate risks or for other reasons related to CRC Clients' business, CRC Clients may invest in foreign currencies and foreign currency-related products. These types of investments entail risks in addition to those involved in investments in securities of domestic issuers due to exchange rate fluctuations, possible exchange controls, less publicly available information, different accounting and auditing standards, more volatile markets, less securities regulation, less favorable tax provisions (including possible withholding taxes), political and social upheaval, war or expropriation. Non-U.S. securities also may be less liquid and more volatile than U.S. securities and may involve higher transaction and custodial costs.

Distressed Investing. A CRC Client may invest in unrated or "distressed" securities, i.e., securities of companies that are experiencing significant financial or business difficulties, including companies involved in debt restructurings or in bankruptcy or other reorganization and liquidation proceedings. A CRC Client may purchase financial instruments of companies of low credit quality, purchase loans that are in default, and may also purchase trade claims of suppliers and others both within or outside of insolvency or reorganization proceedings. Although such investments may result in significant returns, they typically involve a high degree of risk. Restructurings or reorganizations may fail to be completed or be substantially delayed and expected returns on their securities may never materialize. Nonperforming loans, by their nature, may prove uncollectible or not yield appreciable returns for considerable periods of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in such companies, loans or claims is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or rehabilitation of a distressed issuer or adequate realization upon such loans and claims. A CRC Client's performance may be substantially impaired by unsuccessful distressed or low credit investments.

Corporate Debt. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price

volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Preferred Stock. CRC Clients may invest in preferred stock, which has a preference over common stock in liquidation (and generally dividends as well) but is junior to debt securities and other obligations of the issuer. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in the value of a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Illiquidity of Investments in Risk Sharing Transactions. Risk Sharing Transactions are highly illiquid assets, acquired as a private placement transaction which is not generally publicly traded. There is no (or only a limited) secondary market for such assets and, to the extent a market exists, no assurance can be given that such market will continue to exist in the future. Credit risk in respect of an issuer or counterparty affects liquidity which may be reduced further if the asset is impaired. A CRC Client's investment in illiquid assets may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Illiquid assets may trade at a discount from comparable, more liquid investments. In addition, a CRC Client may invest in privately placed assets that may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale, and even if those privately placed assets are transferable, the prices realized from their sale could be less than those originally paid by the CRC Client or less than what may be considered their fair value.

Limited Liquidity of Other Investments. Other CRC Client investments may be or become relatively illiquid, because they are not traded, subject to transfer restrictions, or subject to practical or regulatory limits on a CRC Client's ability to liquidate or acquire them in the market quickly; for example, if a CRC Client holds a large block. CRC Clients may not be able promptly to liquidate or purchase those investments if the need should arise, and the ability to realize gains or avoid losses in periods of rapid market activity may be limited. The value assigned to such securities for purposes of determining net profits and losses may differ from the value the CRC Client is ultimately able to realize.

Leveraged Credit Risk. The CRC Client may, and indeed is likely to, have an exposure to highly leveraged junior tranches referencing portfolios of loans to small and medium enterprises, mortgages, lease contracts or other financial instruments. As a result, any deterioration in the performance of such reference portfolios, including defaults and losses, will have a magnified effect on such junior tranches and thus on the Net Asset Value and the return of a CRC Client. In other words, even if a small portion only of the reference portfolio

is defaults, the return of a CRC Client may become negative, and small changes in the credit markets may cause substantial movements of the Net Asset Value of the CRC Client.

Loans of Portfolio Securities. Certain CRC Clients may from time to time lend securities from the portfolio to brokers, dealers and financial institutions and receive collateral in the form of cash or securities in an amount equal to at least 100% of the current market value of the loaned securities, including any accrued interest or dividend receivable. Such CRC Clients will retain all rights of beneficial ownership, including voting rights and rights to interest or other distributions, and will have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will be terminable at any time. CRC Clients may pay finders', administrative and custodial fees to unaffiliated persons who arrange the loans.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be sold short, purchased or otherwise traded, and the investment techniques and strategies to be employed by CRC, may increase this risk. The use of leverage by CRC enhances and magnifies this risk. While CRC will use its best efforts in the management of the CRC Clients' portfolios, there can be no assurance that any CRC Client will not incur losses. Unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations that could adversely affect CRC Clients' performance.

Portfolio Turnover. CRC Clients may not have limits on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time they have been held when, in the opinion of CRC, investment considerations warrant. High portfolio turnover increases brokerage commission and related transactional fees and expenses.

Performance History of CRC Is Not Indicative of Future Results. The past performance of CRC or any of its principals or affiliates over a particular period is not necessarily indicative of the results that may be expected in future periods. The nature of, and risks associated with, a certain CRC Client's investments may differ substantially from those investments and strategies undertaken historically by CRC or any of its principals or affiliates. There can be no assurance that any given CRC Client's investments will perform as well as past investments managed by CRC or any of its principals or affiliates or that a CRC Client will be able to avoid losses or that a CRC Client will be able to make investments similar to the past investments of CRC or any of its principals or affiliates.

Performance History of CRC May Not Be Indicative of Future Results, cont'd. In addition, such past investments may have been made utilising (amongst other factors) a different leveraged capital structure, asset mix or fee arrangement and therefore the anticipated capital structure, asset mix and fee arrangements of a given CRC Client may result in differing outcomes to that of past investments or other funds managed by CRC or any of its principals or affiliates.

Insolvency of Brokers and Others. CRC Clients will be subject to the risk of failure of brokerage firms who execute trades, clearing firms that brokers use, or clearing houses of which clearing firms are members, as well as entities utilized as direct and indirect custodians

and sub-custodians or administrators by the CRC Clients or brokerage and clearing firms utilized by the CRC Clients.

Financial System Disruption. CRC and the CRC Clients are dependent on unaffiliated financial industry participants, including banks, broker-dealers, clearing houses, securities firms, exchanges and other financial institutions, to conduct their business. A disruption or shock in the financial industry or markets (as last occurred in the first quarter of 2023 with multiple banks entering receivership or otherwise seeking assistance; such a disruption or shock being a “Financial Disruption Event”) could adversely affect any of these financial institutions, which in turn could have material adverse consequences for the CRC Client. The severity of this risk could be increased by any exclusive arrangements entered into with these financial institutions.

A Financial Disruption Event affecting a bank or financial institution that has custody of CRC Client assets could adversely impact the value or integrity of those assets and the ability to retrieve and secure such assets. The affected CRC Client or CRC Clients may experience delayed access to deposits or other financial assets or an uninsured loss of those deposits or other financial assets. In particular, if CRC or its affiliates have a banking relationship (for example, a payroll account) with a bank or other financial institution that experiences a Financial Disruption Event, the ability to manage or operate consistent with past business practices could be negatively impacted, potentially resulting in a disruption in operations.

To the extent that a significant number of investors in the CRC Clients have banking relationships with a bank or financial institution that experiences a Financial Disruption Event, those investors may be unable to satisfy their capital contribution obligations in a timely manner. Such situations could result in losses and other disruptions to the CRC Clients and, ultimately, losses to investors.

Risk of Cyberattacks. With the increased use of technologies such as the Internet to conduct business, the CRC Clients are susceptible to operational, information security and related risks. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting CRC’s and other service providers (including, but not limited to, CRC Client accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a CRC Client invests, counterparties with which a CRC Client engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for investors) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

While the CRC Clients' service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the CRC Clients cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may negatively affect the CRC Clients or their investors.

ITEM 9: DISCIPLINARY INFORMATION

CRC has no legal or disciplinary events that would be material to a CRC Client's or a prospective investor's evaluation of CRC or the integrity of CRC's management to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. CRC and its management persons are not registered and do not have any application pending to register as representatives of a broker-dealer.
- B. CRC and its management persons are not registered and do not have any application pending to register as a futures commission merchant and are not associated persons of the foregoing entity. CRC is registered with the Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator and a commodity trading advisor, is a member of the National Futures Association (the “NFA”) in such capacity and is approved by the NFA as a swap firm. As such, certain CRC employees are designated as Principals and/or registered as Associated Persons with the NFA. The foregoing registrations, designations, memberships and/or approvals do not imply that the CFTC or the NFA have approved of CRC’s qualifications to provide the advisory services set forth herein.
- C. CRC and certain of its related persons act as sponsors, general partners, and/or managers of the CRC Funds and their subsidiaries or affiliates. CRC and its affiliates, employees as well as officers or directors of current or former service providers or outside advisors of certain CRC Clients and their affiliates are permitted to invest directly in CRC Funds, often on a fee-free basis. Furthermore, certain CRC Clients require that CRC or the Principal make and retain a co-investment alongside such CRC Clients. These co-investments are made parallel to the relevant CRC Clients. Co-investments are subject to, and made in accordance with, CRC’s Investment Allocation Policy. Additionally, principal funds that are allocated co-investments bear expenses related to such co-investments in proportion to their share in the relevant transactions.
- D. CRC and its management persons do not recommend or select other investment advisers or receive compensation directly or indirectly from any advisers for its clients. Additionally, there are no other business relationships with any adviser(s) that create a material conflict of interest.

ITEM 11: CODE OF ETHICS

Pursuant to SEC Rule 204A-1, CRC has adopted a code of ethics (the “Code of Ethics”), which contains policies and procedures reasonably designed to, among others, reduce possible conflicts of interest, prevent the misuse of material non-public information, address personal investment transaction activity of “access persons,” and otherwise promote compliance with applicable federal securities laws. Access persons are required to attest to having received a copy of the Code of Ethics and to agree to abide by its terms upon hire and on an annual basis. Among other responsibilities, the Code of Ethics states that Access Persons:

- have a fiduciary obligation to all CRC Clients;
- have the duty at all times to place the interests of CRC Clients ahead of their own;
- must not take inappropriate advantage of or abuse their positions with CRC;
- must avoid conflicts or appearance of conflicts of interest whether in the course of placing personal investment transactions or otherwise;
- must not seek personal advantage of the trading activity that is conducted on behalf of the CRC’s Clients whether in the course of placing personal investment transactions or otherwise; and
- must comply with all applicable federal securities laws.

CRC’s personal investment policies and procedures require that access persons (as well as members of their household and any other individuals over whose account(s) the access person has, either directly or indirectly, beneficial ownership, control, trading authority, or influence) receive Compliance Department approval prior to engaging in transactions in single-name securities and certain other reportable personal investment transactions, including private placements. CRC personal investment policies and procedures incorporate a number of restrictions and prohibitions designed to prevent access persons from entering into personal investment transactions that pose, or may appear to pose, a conflict of interest or otherwise that may appear to be improper. Examples include restrictions on an access persons’ ability to enter into personal investment transactions of issuers in the financial sector, which CRC Client portfolios are generally concentrated in or reference, and prohibitions on personal investment transactions in issuers that, at the time of Compliance Department review, are held by one of more of CRC’s Clients.

CRC will provide a copy of its Code of Ethics upon request to an existing or prospective CRC Client or investor.

Related Party Transactions

CRC Clients may and have entered into Related Party Transactions, as defined below, if the proposed transactions are determined to be in the best interest of each participating CRC Client and are approved by the Legal Department and, depending on the CRC Client, approved either by (i) the CRC Client’s advisory board; (ii) a majority of the shareholders of the CRC Client; or (iii) the CRC Client’s designated independent director(s).

“Related Party Transaction” means any of the following: (i) any commercial transaction in which a relevant General Partner, CRC or any of their respective affiliates provides services to a CRC Client in exchange for a fee or other compensation; (ii) any transaction in which a relevant General Partner, CRC or any of their respective affiliates (other than advisory clients of CRC or its affiliates) buys assets from, or sells assets to, a CRC Client; or (iii) any other transaction that a relevant General Partner reasonably determines, in good faith, presents a material conflict of interest involving a CRC Client on one hand and General Partner, CRC or any of their respective affiliates on the other hand.

CRC does not earn any fees or charge any commissions in connection with Related Party Transactions.

Conflicts of Interest Generally

The non-exhaustive list contained below describes certain potential conflicts of interest relating to CRC’s advisory business and relationships that may impact a CRC Client. Existing and prospective investors and clients are encouraged to read this Brochure as well as the applicable Governing Documents in their entirety, including any disclosures related but not limited to conflicts of interest. CRC attempts to address or mitigate these conflicts through its policies and procedures, including but not limited to the CRC Investment Allocation Policy and Expense Allocation Policy.

(i) CRC provides discretionary investment management services to different CRC Clients, some of which have the same or similar investment objectives. CRC may give advice and recommend securities or investments to a CRC Clients which differ from advice given to, or securities recommended or bought for, another CRC Client, even though their investment objectives are the same or similar. Certain CRC Clients pay higher fees to CRC and are subject to different expenses than other CRC Clients. Additionally, the existence of multiple CRC Clients creates conflicts as to time and resource commitments on the part of CRC and its personnel, which could have the effect of reducing the time devoted to the investment activities of any CRC Client.

(ii) CRC is not restricted from forming additional investment vehicles, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with a CRC Client and/or involve substantial time and resources of CRC. These activities could be viewed as creating a conflict of interest in that the time and effort of CRC will not be devoted exclusively to the business of existing CRC Clients.

(iii) CRC can make more, or less, speculative investments on behalf of different CRC Clients for a variety of reasons, including differing levels of economic incentives from such CRC Clients.

(iv) CRC makes investments in different levels of capital structure by different CRC Clients.

(v) Asset values determined pursuant to any model valuation methodology developed and/or implemented by CRC create a possible conflict of interest as fees or economic incentives are affected by the Net Asset Value, for example, with respect to the calculation and payment of the management fee.

(vi) CRC personnel can, from time to time, invest on behalf of themselves, funds managed by them or clients in similar transactions as the CRC Client and/or have relationships with entities associated

with or which are in fact one of the reference portfolios in Risk Sharing Transactions or the other investments of any CRC Client, and therefore have interests in connection with those investments or relationships that are different from or adverse to the interests of CRC Clients. Issuers and associated parties on transactions entered by a CRC Client can also be or have been issuers or associated parties on transactions entered into by another CRC Client. Additionally, CRC personnel can have ongoing investments and relationships with the sponsors and associated service providers involved in any investment of a CRC Client.

ITEM 12: BROKERAGE PRACTICES

CRC Clients may incur brokerage commissions and other transaction expenses as part of their investment activities. CRC has complete discretion in deciding which broker-dealers the CRC Clients will use when placing orders for relevant CRC Client securities transactions. CRC's objective in selecting broker dealers is to seek the best overall terms available under the prevailing circumstances and to ensure that best execution standards are met. CRC evaluates each of its broker-dealer relationships utilizing a variety of factors. Any combination of one or more factors may be considered when selecting a broker-dealer for a particular transaction. Certain factors will be more or less relevant and/or placed more or less weight depending on the circumstances of the particular securities transaction, including type of instrument being traded.

A. Criteria for Selecting Broker-Dealers

In choosing brokers-dealers, CRC will seek the best combination of brokerage expenses and execution quality. Factors involved in evaluating broker-dealers may include but not be limited to:

- the ability to effect prompt and reliable executions at favorable prices (including without limitation, the applicable dealer spread or commission, if any);
- the operational efficiency with which transactions are effected, taking into account size of order and difficulty of execution;
- the reputation, financial strength, and stability of the broker-dealer;
- block trading and block positioning capabilities;
- the quality, comprehensiveness and frequency of available research services;
- the competitiveness of commission rates in comparison with other broker-dealers; and
- the availability of securities to borrow for short sales.

1. Research and Other Soft Dollar Benefits

- a. CRC has no soft dollar or other formal commission sharing arrangements whereby a portion of the commission paid to the broker-dealer are allocated for the purchase of eligible brokerage or research products or services from another third-party. However, CRC does rely on, and comply with the conditions of, the safe harbor exemption in Section 28(e) of the Securities Exchange Act of 1934 for any routine eligible brokerage and research it receives.

B. Aggregation of Orders

CRC may aggregate sale and purchase orders of securities held by the CRC Clients with similar orders being made simultaneously for other accounts or entities if, in CRC's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the CRC Clients based on an evaluation that the CRC Clients have benefited by relatively better purchase or sale prices, lower commission expenses or a combination of these and other

factors. In such instances, the purchase or sale of securities for the CRC Clients will be effected simultaneously with the purchase or sale of like securities for such other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, and at CRC's sole discretion, the CRC Clients may be charged or credited, as the case may be, the average transaction price.

ITEM 13: REVIEW OF ACCOUNTS

On a monthly or quarterly basis as applicable, CRC reviews each CRC Client account in conjunction with the completion and issuance of the periodic (monthly or quarterly) investor statements. This review is in addition to the review and approval procedures effected by the CRC Clients' administrators and includes:

- a. reconciliation of cash and security positions;
- b. reconciliation of income and expenses;
- c. verification of prices provided by third-party valuation agents;
- d. reconciliation of purchases and sales of securities;
- e. verification of management and performance fee calculation;
- f. reconciliation of statement of assets and liabilities, statement of profit and loss and statement of changes in net assets.

The periodic review of the CRC Clients' operating activities is effected by key personnel in each of CRC's operations, financial control, risk management and investor services departments.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Among other services provided to CRC, the Service Provider markets and offers CRC Clients to non-US prospective and existing fund investors and clients. CRC is the only client of the Service Provider. For the services provided to CRC, the Service Provider receives compensation in the amount equal to the reasonable expenses incurred by the Service Provider plus an amount of profit determined by the Service Provider and approved by CRC, as well as applicable value added tax, if any. Additionally, certain employees of the Service Provider who are members of the marketing team are investors in CRC Funds. Such employees are not directly compensated for marketing and offering activities in their status as investors.

ITEM 15: CUSTODY

Rule 206(4)-2 (the “Custody Rule”) under the Investment Advisers Act of 1940 (the “Advisers Act”) provides that investment advisers who hold, directly or indirectly, client funds or securities, including arrangements authorizing the advisers to withdraw clients funds or securities or have legal capacity that provides ownership or access to client funds or securities, such as serving as the general partner of a limited partnership of investment funds, maintain the funds or securities with a “qualified custodian” and provide certain reports to clients.

CRC is subject to the Custody Rule because, as a registered investment adviser, it is deemed to have custody of the funds or securities of the CRC Funds. CRC does not have custody, including deemed custody, of the assets of any CRC Managed Account because CRC does not have the authority to obtain custody or possession of the assets of any CRC Managed Account.

In respect of the CRC Funds, CRC satisfies its obligations under the Custody Rule by causing each CRC Fund to:

- i. undergo annual audits by an independent public accountant registered with the Public Company Accounting Oversight Board (PCAOB); and
- ii. distribute its audited financial statements, prepared in accordance with generally accepted accounting principles in the United States (US GAAP), to all investors in the CRC Fund within 120 days of the CRC Fund’s fiscal year end.

ITEM 16: INVESTMENT DISCRETION

CRC has discretionary authority and responsibility to manage the investments of the CRC Clients. CRC is appointed by the CRC Clients as their agent and attorney-in-fact to provide investment advice and discretionary investment management services, and to invest and reinvest assets in a manner that complies with applicable law and the investment guidelines of each CRC Client's Governing Documents.

ITEM 17: VOTING CLIENT SECURITIES

CRC has adopted and implemented proxy voting policies and procedures (the “Proxy Voting Policies and Procedures”) to comply with Rule 206(4)-6 under the Advisers Act and its associated recordkeeping requirements. The Proxy Voting Policies and Procedures apply to CRC Client accounts (i) that contain voting securities; and (ii) for which the CRC has authority to vote client proxies. The CRC Managed Account clients and the investors in the CRC Funds may obtain a copy of the Proxy Voting Policies and Procedures upon request to CRC.

Pursuant to the Proxy Voting Policies and Procedures and its fiduciary duties, CRC will vote client proxies as part of its authority to manage, acquire and dispose of account assets. When voting proxies for CRC Client accounts, CRC’s primary objective is to make voting decisions solely in the best interests of the CRC Clients.

Duty to Vote Proxies – CRC acknowledges that it is part of its fiduciary duty to the CRC Clients to vote client proxies, except in cases in which the cost of doing so, in the opinion of CRC, would exceed the expected benefits to the CRC Client. This may be particularly true in the case of non-U.S. securities.

Material Conflicts – CRC will vote the CRC Clients’ proxies in the best interests of the CRC Clients. In voting client proxies, CRC will seek to avoid material conflicts of interests between the interests of CRC and its affiliates on the one hand and the interests of the CRC Clients on the other.

CRC understands that the determination of whether a “material conflict” exists depends on all facts and circumstances of a particular situation.

General Proxy Voting Guidelines – It is CRC’s policy to consider and vote each proposal with the objective of maximizing long-term investment returns for the CRC Clients when voting proxies. To ensure consistency in voting proxies on behalf of the CRC Clients, CRC uses proxy voting guidelines which include, among other things, guidelines regarding board size and composition, executive compensation, anti-takeover proposals, and capital structure proposals.

ITEM 18: FINANCIAL INFORMATION

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