



CVC Credit Partners, LLC Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of CVC Credit Partners, LLC. If you have any questions about the contents of this brochure, please contact Ms. Anna Spector at (212) 506-3897. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. CVC Credit Partners, LLC is a registered investment adviser. Registration with the U.S. Securities and Exchange Commission ("SEC") of an investment adviser does not imply any level of skill or training.

Additional information about CVC Credit Partners, LLC is also available on the SEC's website at: www.adviserinfo.sec.gov.

2. Material Changes

The following material changes have been made to the brochure for CVC Credit Partners, LLC since its last annual amendment filed on March 31, 2023:

- Item 5: Clarification of the scope of Organizational Expenses and Operational Expenses that may be incurred by CVC Credit Clients, and the methodology for allocating expenses to Clients for services performed by supervised persons of CVC.
- Item 8: Updates to risk and conflict disclosures to enhance disclosure regarding the following matters: anti-money laundering regulatory developments, recent developments in the banking sector, future trade between the United Kingdom and the European Union, trade controls and anti-corruption considerations, the European Commission Action Plan on Financing Sustainable Growth, public health risks, artificial intelligence and machine learning, geopolitical risk, inflation, indemnification and hedge clauses, pay-to-play laws, reinvestment, interest rate, LIBOR discontinuation, and valuation risks, fund closings, and registration under the U.S. Commodity Exchange Act.
- Item 10: Disclosure regarding the activities of CVC Funding, LLC and CVC Capital Markets, CVC Credit's affiliated broker-dealers, and updates to disclosures regarding CVC Credit's processes for mitigating and managing related conflicts of interest.

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4. Advisory Business

CVC Credit Partners, LLC, a Delaware limited liability company, which was originally formed on January 12, 2005, is a wholly owned subsidiary of CVC Credit Partners Investment Management Limited (“CVC Credit UK”). CVC Credit UK is a separately-organized U.K. investment adviser, which is regulated by the U.K. Financial Conduct Authority and is a Relying Adviser of CVC Credit Partners, LLC. The majority of interests in CVC Credit UK are ultimately held by CVC Credit Partners Group Holding Foundation, a foundation incorporated under the laws of Jersey, Channel Islands (“CVC Credit Holding Foundation”). The current beneficiaries of CVC Credit Holding Foundation are the employees of the subsidiaries and holding companies from time to time of CVC Capital Partners Credit Partners Holdings Limited (which is the immediate subsidiary of the CVC Credit Holding Foundation), which will be a changing class of persons. Such beneficiaries have no direct rights to, or an interest in, the assets and income of the CVC Credit Holding Foundation unless and until CVC Credit Holding Foundation determines to provide a benefit.

Additionally, CVC Credit Partners, LLC’s global platform includes CVC Credit Partners European Investment Fund Manager Limited, which is regulated by the Jersey Financial Services Commission and is a Relying Adviser of CVC Credit Partners, LLC. CVC Credit Partners, LLC and its Relying Advisers are collectively referred to herein as (“CVC Credit Partners”).

The CVC Credit Partners advisers above are under common ultimate control with two other registered investment advisers which focus on the management of collateralized loan obligation vehicles and are held under a separate ownership structure. These advisers are CVC Credit Partners U.S. CLO Management LLC in the U.S., which is regulated by the Securities and Exchange Commission, and CVC Credit Partners European CLO Management, LLP, which is regulated by the U.K. Financial Conduct Authority (collectively referred to herein as (“CVC Credit CLO Management”). Both advisers are wholly-owned subsidiaries of CVC Credit Partners Global CLO Management Limited, a closed ended private limited liability company incorporated in Jersey.

Collectively all the above investment advisers constituting CVC Credit Partners and CVC Credit CLO Management are referred to herein as (“CVC Credit”).

CVC Credit operates under the same branding (“CVC”), as CVC Capital Partners, a leading private equity and investment advisory firm. As used in this brochure, the term CVC includes CVC Advisory Holding Foundation, CVC Capital Partners SICAV-FIS S.A., CVC Credit Partners Group Holding Foundation, and their respective subsidiaries and affiliates from time to time but does not include portfolio companies of the investment funds advised by them. CVC’s private equity investment business (described further in Item 10 below) is referred to herein as “CVC Capital”. CVC Management Holdings Limited also indirectly owns 60% of the equity ownership of Glendower Capital (U.S.), LLC and Glendower Capital LLP, a private equity firm focused on discretionary investments in the secondary market globally. CVC’s private equity investment business (described further in Item 10 below) is referred to herein as “CVC Capital Partners” or “CVC Capital”; Glendower Capital (U.S.), LLC and Glendower Capital LLP are referred to herein collectively as “Glendower”.

CVC Credit provides investment advisory and sub-advisory services to investment vehicles, including collateralized loan obligations and collateral debt obligations (collectively, “CLOs”), other co-investment funds and collective investment vehicles (“Managed Funds”), and separately managed accounts for institutional investors on a discretionary and non-discretionary basis (“Managed Accounts”), together CVC Credit’s (“Clients”). CVC Credit’s Clients pursue primarily (i) U.S. and European Performing Credit strategies (such as broadly syndicated bank loans, secured and leveraged loans, floating rate loans, second lien loans, corporate and high yield bonds, convertible bonds) (“Performing Credit”), and (ii) Private Credit strategies focusing on direct lending (privately negotiated loans to mid-market companies) and capital solutions/special situations (primary junior capital) (“Private Credit”). In the pursuit of these strategies, CVC Credit will also utilize currency forwards and other derivative instruments on behalf of its Clients.

CVC Credit generally provides investment advisory services under the terms of specific offering documents and other analogous governing documents (i) a collateral management agreement and indenture in the case of CLOs; (ii) a limited partnership agreement or an investment management agreement in the case of Managed Funds; and (iii) an investment management agreement or similar

written agreement(s) in the case of Managed Accounts (together, “Client Agreements”). CVC Credit negotiates these documents, which set forth the specific services that will be provided by CVC Credit, with Clients before the commencement of the relevant advisory relationship. CVC Credit may also negotiate side letters with individual Managed Fund investors to accommodate specific reporting, regulatory, and similar requirements.

Each of the CLOs, Managed Funds and Managed Accounts for which CVC Credit provides investment advisory services may impose investment guidelines and limitations on the types of securities and other instruments in which each portfolio may invest. In particular, each CLO for which CVC Credit provides investment advisory services is governed by an indenture that places significant restrictions on the types of securities and other instruments that may be purchased on behalf of the CLO.

The Manager does not participate in wrap fee programs.

As of December 31, 2023, CVC Credit Partners had approximately \$36.4 billion of assets under management. Of the total assets under management, approximately \$34.5 billion is managed on a discretionary basis, with the remainder managed on a non-discretionary basis. Certain Managed Accounts, pursuant to the terms of their investment management agreements, require CVC Credit Partners to provide notice of any proposed investments. In such cases, the Managed Account Client has the right to reject any investment proposed by CVC Credit Partners.

5. Fees and Compensation

As a general matter the Client Agreements for each Client detail the fees payable by such Client. These fees are typically negotiated, will vary from Client to Client, and typically include a management fee and incentive fees, which are at the rates and under the terms described in the relevant governing documents.

The discussion below summarizes representative fee arrangements for each type of Client. All fees are negotiated with CLOs, Managed Funds and Managed Accounts before the advisory relationship commences. The governing documents of each CLO, Managed Fund and Managed Account include detailed information regarding fees and expenses paid by the Client.

Clients and investors should review the provisions related to fees and expenses in the relevant governing documents and offering materials for further information regarding the nature and total amount of fees and expenses they will incur. All Clients, including Managed Accounts, will incur expenses that are allocated among multiple Clients or among Clients and CVC Credit, in the manner described below.

Investors in Managed Funds and CLOs will indirectly bear fees and expenses of the Managed Fund or CLO, including a pro rata share of the fees and expenses described below, for the time period they are invested in the Managed Fund or CLO. The amount and nature of fees and expenses incurred by Managed Funds and CLOs, and indirectly borne by investors, can vary significantly.

Fees

CLOs

With respect to its CVC Credit-managed CLOs (“CVC Credit CLOs”):

- CVC Credit receives a senior management fee that is typically up to 20 basis points, calculated as a percentage of assets under management of such CVC Credit CLO.
- CVC Credit receives a subordinated management fee that is typically up to 35 basis points and is calculated as a percentage of assets under management of such CVC Credit CLO.
- CVC Credit also charges the CVC Credit CLOs an incentive fee, which is generally 20% of distributions which would otherwise be payable to the equity class of securities for each CVC Credit CLO when such class of securities has achieved a specified internal rate of return on investment.

Managed Funds

With respect to its Managed Funds:

- CVC Credit Partners receives a management fee, typically up to 150 basis points of assets under management or net invested capital.
- CVC Credit Partners also charges certain Managed Funds performance fees or carried interest, of up to 20% of the overall profits of the account. Performance fees typically are payable subject to such Managed Fund's investments exceeding a specified internal rate of return on investment.

Managed Accounts

With respect to its Managed Accounts:

- CVC Credit Partners receives a management fee that is typically up to 75 basis points of assets under management or net invested capital.
- CVC Credit Partners also charges certain Managed Accounts performance fees or carried interest, of up to 15% of the overall profits of the account. Performance fees typically are payable subject to such Managed Account's investments exceeding a specified internal rate of return on investment.

All fees attributable to CLOs managed by CVC Credit are paid quarterly to CVC Credit by independent trustees for the CLOs in accordance with the terms of the applicable indenture. The management fee attributable to each CLO is calculated by the trustee and confirmed by CVC Credit. Base management fees and incentive fees attributable to Managed Funds and Managed Accounts are paid quarterly (with respect to the management fees) and annually (with respect to incentive fees) to CVC Credit Partners by the Client or an independent third-party custodian. Certain Managed Funds are required to pay base management fees quarterly in advance of the calendar quarter. If an investor in a Managed Fund redeems that interest during the quarter (as opposed to the end of the quarter), the investor is entitled to a pro-rata share of unearned management fees.

Types of Expenses Charged to CVC Credit Clients

CVC Credit's advisory fees are not inclusive of all the fees and expenses that Clients (and, indirectly, investors) may pay. The fees and/or expenses that Clients may possibly pay will typically fall into three general categories: (1) organizational expenses, (2) operational expenses, and (3) investment-related expenses. A summary of these expenses, which is not intended to be exhaustive, is provided below. The relevant Client Agreement may set forth specific expenses that will (or will not) be borne by a Client, and the provisions of Client Agreements will supersede this brochure to the extent of any direct conflict.

Organizational Expenses

Organizational expenses typically include fees, costs and expenses in connection with establishing and organizing a Client. This expense category generally includes the following:

- Legal, accounting, and filing fees, costs and expenses incurred in connection with the formation, organization and establishment of, or sale of interests in, the Client and its general partner (if any);
- Expenses incurred in connection with any amendments, restatements or other modifications to, or the monitoring of compliance with, Client Agreements, side letters and other constituent or related documents of the Client and the general partner (if any) and other comparable compliance and compliance monitoring-related activities, including compliance with any applicable environmental, social and governance and climate change related requirements;

- Fees, costs and expenses incurred in connection with the marketing and offering of interests in the Client (including legal, accounting, filing, access to, and use of, databases, client relationship management systems (“CRM”) or data rooms for posting the Client documents and due diligence materials, travel and travel-related expenses (which may include expenses for the use of first-class (or private aircraft where equivalent in price) or business class travel or the equivalent on domestic or short-haul flights (e.g., U.S. domestic or European regional flights) and equivalent ground transportation), accommodations, closing dinners, meals, and entertainment expenses incidental to roadshows and printing); and
- Any Internal Expenses (as defined below) that would be organizational expenses pursuant to any of the foregoing.
- In addition, CVC Credit is subject to regulatory requirements that include provisions that can be vague or ambiguous and that permit more than one reasonable interpretation. CVC Credit’s determination of how to interpret such provisions as they relate to a Client could be expected to impact the amount of regulatory compliance or other costs that are allocated to that Client. While CVC Credit will interpret such provisions in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations CVC Credit adopts will not necessarily be, and need not be, the interpretations that lead to the least compliance costs being allocated to the Clients or their investors.

Operational Expenses

Operational expenses generally include ongoing fees, costs, expenses and liabilities (together with any applicable value-added tax (“VAT”)) incurred directly or indirectly in connection with operating a Client portfolio, including those that are transactional and regulatory in nature. This expense category generally includes the following, to the extent permitted by applicable law:

- Legal, accounting (including third-party accounting services and systems), bookkeeping, consulting, rating agency, asset assignment and settlement, tax preparation and filing (including Schedules K-1), independent appraisal, audit, other professional fees;
- Costs, expenses and liabilities of a Client in respect of administration, reporting (including the use of CRM), custody, management, systems used for monitoring of investment guidelines, operation, termination, liquidation, winding up and dissolution, including the costs and expenses of legal and tax advisers, administrators, auditors and consultants incurred in connection therewith;
- Costs and expenses incurred in connection with tax, legal and regulatory compliance relating to the Client’s activities (including, without limitation, regulatory filings of the general partner (if any), CVC Credit and their affiliates relating to the Client’s activities), information, and communication;
- With respect to Managed Funds, the salary and benefits of personnel reasonably necessary for the maintenance of such entities, or other personnel and overhead costs or expenses in connection therewith including third party directors’ fees and expenses;
- Costs and expenses associated with reports, disclosures, and filings prepared in accordance with applicable US (SEC, CFTC and IRS) and non-US (FCA, CSSF, ESMA) regulations, including but not limited to Form PF, the Alternative Investment Fund Managers Directive (“AIFMD”), the Markets in Financial Instruments Directive II (“MiFID II”), or any other regulatory requirement (including, without limitation, regulatory and “blue sky” filings), and any costs associated with outsourcing the completion of such reports;
- Costs and expenses of any litigation and other extraordinary expenses relating to the Client or an entity in which investments are made by the Client;
- Costs and expenses attributed to holding any meetings (including annual investor conferences) of the Client, including the Client’s investors and the Client’s board of directors or advisory

committee (including expenses related to transportation, accommodations, meals, events, and entertainment);

- Insurance premiums and fees (including directors' and officers' liability and errors and omissions liability);
- Interest on and fees, costs and expenses associated with certain strategies involving the use of leverage and borrowings (including interest on principal, fees and other costs), guarantees or other indebtedness incurred by the Client (or a financing subsidiary thereof);
- Costs and expenses incurred in connection with the usage of data service providers such as Bloomberg terminal fees, Markit/WSO fees and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information, company fundamental data, and S&P Index Alerts;
- Fees and expenses in connection with the settlement of loans, trade executions and other trade related documentation (including expenses incurred in connection with legal counsel, expert review of loan documents, and any vendors or service providers);
- Fees and expenses of directorship services provided to Clients, their GPs, and any special purpose vehicles;
- Information technology system expenses (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of a Managed Fund, its investors, or a portfolio investment or potential investment);
- Employees, delegates, independent agents, lawyers, accountants, appraisers, nominees, consultants, intermediaries, valuers, lenders, banks, administrators, custodians, depositaries, auditors, investment professionals, financial advisers and/or other financial institutions, data providers, expert network firms and other professional service providers or advisors, including finders, investment bankers, tax advisers and brokers (including legal fees and regulatory compliance costs incurred in connection with the engagement of any such professionals for a Client), who, in each case, may be CVC entities and/or CVC personnel provided that such CVC entities and/or CVC personnel are engaged on arm's length terms;
- Any administrators, custodians and depositaries (who, in each case, may be CVC entities and/or CVC personnel, provided that such CVC entities and/or CVC personnel are engaged on arm's length terms) in relation to the safeguarding, administering and/or holding (or similar) of the assets of a Client and/or the performance of any functions of a custodian and/or depositary contemplated by the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures or any national private placement regime in any jurisdiction (the "AIFM Directive"); and
- Any Internal Expenses (as defined below) that would be operational expenses pursuant to any of the foregoing.

Investment-Related Expenses

Investment-related expenses generally include costs and expenses in connection with the pursuit or sourcing of particular investments and ongoing investment costs. This expense category generally includes the following, to the extent permitted by applicable law:

- Costs and expenses of identifying, investigating (including, without limitation, conducting diligence) evaluating, researching (including research-related travel), structuring and negotiating potential investments for a strategy (fees and expenses of any legal (including services of personnel insourced from external providers), financial, accounting, consulting or other advisors or lenders, investment banks and other financing sources and any deposits or

down payments that are forfeited in connection with, or amounts paid as a penalty for, unconsummated transactions (i.e., “broken-deals”));

- Costs and expenses relating to the holding, settlement, administering, monitoring, financing, refinancing, managing, disposing and hedging of investments (including proposed but unconsummated investments), brokerage commissions, sourcing agent fees, clearing and settlement charges, syndication fees, arranger fees, pricing and valuation fees (including appraisal fees), underwriting commissions and discounts, interest and investment fees, transaction fees, breakup fee, investment banking fees, advisory fees, bank charges, other investment costs and expenses related to closing, execution and transaction costs, custodial, trustee, transfer agent, recordkeeping and other administrative fees, origination fees, commitment fees, rating agency fees, collateral management fees, facility fees, float fees or similar fees;
- Fees, costs and expenses of attending conferences or similar meetings in connection with the sourcing and evaluation of potential investments on behalf of Clients, even if such expenses are not related to a specific transaction and irrespective of whether any such investment is ultimately consummated;
- Any travel-related expenses related to or arising from the discovery, evaluation, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging, or disposition of investments, including potential investments (which includes ground transportation, meals, accommodation, and travel expenses for the use of business class travel);
- Fees, costs and expenses for other third-party research, specialty data subscription and license-based services and risk analysis software, industry information, analytics and expert networks/research resources incurred in connection with the sourcing or evaluation of investments for Clients, including any research or other service that may be deemed to be bundled for the benefit of a Client;
- Fees, costs and expenses of consultants, including senior advisors and industry advisors, and other technical consultants; where a consultant charges a retainer fee and, in addition, a sourcing or a success fee which is paid in respect of specific investments or potential investments, the retainer fee will typically be borne by CVC Credit Partners, and the sourcing or success fee will typically be borne by the Clients participating (or potentially participating in) the relevant investment opportunity;
- The costs and expenses associated with attendance at meetings, such as board meetings or steering committee meetings in connection with borrower investments made on behalf of Clients;
- Investment-related expenses incurred in connection with sourcing or due diligence for transactions that are not consummated;
- Travel and accommodation expenses for CVC Credit personnel and third-party providers incurred in connection with a broken deal;
- Any reverse breakup fees, deposits or down payments (including deposits made by CVC Credit on behalf of Clients) that are forfeited in connection with, or amounts paid as a penalty for, broken deals; and
- Any Internal Expenses (as defined below) that would be investment-related expenses pursuant to any of the foregoing.

Expense Allocation and Attribution

Certain expenses are incurred on behalf of multiple Clients, and on occasion, an expense will be incurred on behalf of CVC Credit or an affiliate of CVC Credit as well as one or more Clients. To address the potential conflicts of interest associated with the allocation of such expenses, CVC Credit has

adopted an Expense Allocation Policy that generally provides that CVC Credit will seek to allocate expenses and fees equitably across all relevant Clients in accordance with CVC Credit's contractual and fiduciary obligations. Consistent with this policy, CVC Credit will exercise good faith discretion in determining the proper allocation of expenses between CVC Credit and the relevant Client or between two or more Clients in a manner that is fair and reasonable under the circumstances (which may involve lending more weight to one guideline or factor contained in the policy than to others), based on its good faith consideration of relevant factors and in accordance with its contractual and fiduciary obligations. Under the policy, the allocation of expenses will generally be determined by CVC Credit based on the following factors:

- the extent of each Client's utilization of the services associated with such expense;
- the relative benefit to each Client that is derived from such expense (or that is expected to be derived from such expense);
- with respect to transactions and broken deals, the size or expected size of each Client's participation in the transaction; and
- the relationship of such expense to the legal, contractual or other obligations of each of the Clients.

In applying these factors, CVC Credit will generally allocate expenses according to the following standards, subject to the relevant Client Agreement.

- Internal Expenses: CVC Credit may charge, attribute, or allocate expenses to Clients for services performed by a supervised person of CVC, which may be organizational expenses, operational expenses, or investment-related expenses ("Internal Expenses"). Internal Expenses include fees, costs and expenses associated with the in-house provision of administrative, accounting, legal, regulatory, reporting, information technology, hedging, currency and treasury management, transfer pricing, ESG-related expenses, and similar services performed for the benefit of a Managed Fund, Managed Account, or CLO and/or portfolio investment, in each case to the extent permitted by the applicable Client Agreement. Internal Expenses may be allocated by CVC Credit to one or more Clients only to the extent that any such Internal Expenses to be borne by the Client are no less favorable to the Client than could be obtained in arm's length negotiation with unrelated third parties for similar services, as determined by CVC Credit pursuant to its expense allocation policy.
- Expenses that are obligations of CVC Credit and not obligations of any Client are allocated solely to CVC Credit. These include payroll and employee benefits, office expenses, and other expenses incurred in connection with the operations of CVC Credit.
- Organizational, operational, and investment-related expenses incurred solely by, or on behalf of, a single Client are allocated, in whole, to that Client.
- Expenses that are attributable to more than one Client are allocated between and among such Clients in a manner that is fair and equitable based on the factors described above. Barring unusual circumstances, broken-deal expenses will be allocated according to the Client's expected allocation to the transaction. Feeder funds generally will bear their own expenses, as well as a pro rata share of all master fund expenses based upon their relative percentage of ownership of such master fund. Expenses that benefit all Clients in a particular CVC Credit investment strategy (including, for example, research subscriptions, publications, and other third-party vendors contracted to provide company and industry level research) are typically allocated to all Clients within that strategy in a manner that is fair and equitable over time on the nature of the expenses and the benefit derived therefrom.
- Where co-investors have been permitted to participate in investments, expenses associated with such investments will typically be allocated to such co-investors and among Clients according to the factors set forth above or as prescribed in the Client Agreements. CVC Credit or the GP of a Managed Fund will determine whether potential co-investors that may have

participated in an investment will be allocated deal-related expenses, including but not limited to break-up fees, incurred with respect to such investment. In making this determination, CVC Credit (or the GP of the Managed Fund) will consider, among other matters, whether the potential co-investor committed to participate in the investment, and whether the potential co-investor agreed to bear (or to not bear) a portion of any ongoing deal related expenses. The foregoing will in some circumstances result in Clients bearing more than a pro rata share of such expenses.

- Expenses attributable to CVC Credit and one or more Clients will generally be allocated in the same manner as expenses allocated among clients, except that the scope of benefit to CVC Credit shall also be considered when making the allocation. In addition, when CVC Credit engages consultants and vendors for deal sourcing purposes, CVC Credit will typically pay any retainer fee, and the applicable Client(s) who participate in the investment will typically pay the deal sourcing fee.

In circumstances where an expense is allocated amongst various Clients and/or a portion of an expense is allocated to CVC Credit, the expense allocation policy requires a review of each allocation by CVC Credit's compliance department. The allocation methodology used for recurring expenses is reviewed on a periodic basis by the Finance and Compliance departments. CVC Credit's expense allocation policy also provides for the periodic testing and review of expense allocations to assess the appropriateness of CVC Credit's expense allocation practices.

6. Performance Based Fees and Side-by-Side Management

CVC Credit may charge both management fees based on the value of assets under management and performance-based fees (meaning, fees based on a share of capital gains on or capital appreciation of assets, "Incentive Fees") to certain of its Clients. Certain investors in Managed Funds do not pay fees, and others incur lower or no Incentive Fees. The Incentive Fees often differ from one Client to another, as well as among investors in the same Managed Funds. The payment by some, but not all, Client of Incentive Fees or payment of Incentive Fees at varying rates creates an incentive for CVC Credit to disproportionately allocate time, services or functions to Clients paying Incentive Fees or Clients paying Incentive Fees at a higher rate, or allocate investment opportunities to such Clients. Please see Item 10 for additional information on allocation and how conflicts of interest are generally addressed by CVC Credit.

Opportunities may arise for individual investors, or other third parties, to co-invest in parallel with a Managed Fund on terms to be agreed, which are expected to provide for lower or no management fees and/or carried interest than those paid by Managed Funds. There is no guarantee that any Managed Fund investor will be granted co-investment opportunities.

7. Types of Clients

CVC Credit provides investment advice to CLOs, Managed Funds and Managed Accounts. Managed Account Clients and investors in CLOs and Managed Funds include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities. Investments in CLOs and Managed Funds are generally only available to institutional investors, professional investors, wholesale investors and certain high-net worth investors who are qualified purchasers or can be opted up to professional investor status. Acceptance of Non-US investors into CVC Credit Partner's Managed Funds also generally requires qualification as an institutional investor under local regulatory requirements of the jurisdiction in which they are based. CVC Credit Partner's Managed Funds generally have a specific minimum investment amount, which is set forth in their Investment Agreements.

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

Methods of Analysis and Portfolio Management

CVC Credit manages its Clients in accordance with their investment strategy, applicable Client Agreements, and other governing documents. Certain strategies and agreements may place more significant restrictions on CVC Credit's ability to make certain investments.

In analyzing investments, CVC Credit employs fundamental credit research with respect to each of the loans, bonds, and securities held in (or considered for) the CLOs, Managed Funds and Managed Accounts for which CVC Credit provides investment advisory services (the issuers or borrowers of such instruments are generally referred to as "borrowers" in this Item 8). CVC Credit operates a rigorous, multi-stage, bottoms-up, investment process which is bifurcated between the Private Credit and Performing Credit investment teams, with separate investment committees for each platform of the business. The investment team will seek to maintain a highly selective and systematic investment approach. The investment process concentrates on fundamental credit and technical market analysis to evaluate the portfolio suitability of each potential investment, in order to seek to identify, mitigate and manage risks. Critical to the assessment of each investment opportunity is the work done on the fundamental credit worthiness of the borrower, focusing on business risk, financial risk, and structural risk. This is evaluated through extensive analysis and due diligence on the borrower which underpins the entire investment process.

CVC Credit utilizes multiple sources of information in analyzing investments, including but not limited to: 1) management presentations, annual reports, detailed cash flows underwriting & analysis, legal due diligence, third-party due diligence, prospectuses and credit agreements, regulatory filings filed with U.S. and foreign regulators and company press releases; 2) newswires, research material prepared by broker-dealers and third party research providers, and corporate rating services; 3) third party consultants, expert networks, lawyers, accountants, commercial and investment banks, financial intermediaries, other investment and advisory institutions and its direct and indirect contacts through its association with CVC. CVC Credit personnel may participate in on-site visits, borrower management meetings, sponsor lead roadshows, creditors' committees, industry groups, or steering committees or may sit on the boards of directors of Client held investments. CVC Credit will seek to leverage CVC's network of relationships and capital resources across Europe and the U.S. to identify and participate in investment opportunities. In connection with the evaluation of potential investment opportunities, CVC Credit may engage with individuals retained by certain expert networks. To mitigate and manage the risk of receiving non-public information from these sources, CVC Credit has implemented policies and procedures designed to avoid inadvertently obtaining proprietary and/or confidential information from its interactions with all information sources, including CVC, industry contacts, as well as expert network consultants.

Credit monitoring is actively performed on an ongoing basis with both formal and informal updates provided typically several times a week at various investment committee meetings. CVC Credit believes that effective investment management requires a consistent, disciplined and proactive approach to collecting the necessary details regarding: (i) borrower financial and operational performance; (ii) macroeconomic factors that affect and drive the borrower's operating environment; and (iii) the competitive landscape. The ability to monitor performance at a very granular level in an accurate and timely manner is critical, and reliant upon access to high quality data in order to reduce risks and highlight opportunities. CVC Credit, where possible, seeks to establish and build strong relationships with management teams and sponsors to increase the investment team's understanding of the issuer and industry dynamics. In addition to a detailed assessment of the operational performance of an investment, this monitoring process includes an evaluation of macro-economic, credit specific and event-driven factors for each investment, the results of which the investment team will utilize to make decisions on the appropriate action for each respective investment. In all situations, relative value analysis and focus on acceptable risks and returns are considered when determining whether a position should remain in a portfolio.

To the extent consistent with its fiduciary responsibilities, CVC Credit may integrate environmental, social, and governance ("ESG") considerations into its investment analysis when reviewing an investment opportunity and during the lifecycle of an investment. CVC Credit's evaluation of ESG considerations will vary as a result of certain factors bespoke to each investment, including, among

others, the level of control and influence, investment approach, and engagement activities related to an investment that CVC Credit is able to undertake. Notwithstanding the foregoing, CVC Credit does not intend to invest exclusively in issuers that actively pursue ESG-related goals, unless expressly stated as the investment objective of the Client account and expects to make investments in cases where it has limited or no ability to evaluate or manage ESG considerations.

Investment Strategies

The investment strategies employed by CVC Credit in the management of its CLOs, Managed Funds, and Managed Accounts are more fully set forth in the Client Agreements.

General Risks

Risk of Loss

Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. While CVC Credit seeks to mitigate risks so that they are appropriate to the potential return for the Client or strategy, it is usually not possible or desirable to fully mitigate risks. Prospective investors or Clients should carefully consider the following risks, along with those risk factors described in the applicable governing documents. There can be no assurance that investment strategies will be carried out successfully. Investors and Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. The governing documents of each investment program, including the offering memoranda for the Managed Funds and CLOs, more fully explain the material risks associated with the Credit strategies managed by CVC Credit. Investors in Managed Funds and CLOs should review these documents in addition to the risk summaries below.

Strategy Risk

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example, the disruption of historical pricing relationships). An investment strategy may fail, and it may be difficult for CVC Credit to amend an investment strategy quickly or at all should certain market factors appear, which may have a material adverse effect on the Client.

Credit Risk

Performance and investor yield on the interests may be affected by the default or perceived credit impairment of debt investments. Credit risks associated with such investments include among others: (i) the possibility that earnings of the obligor may be insufficient to meet its debt service obligations; (ii) the obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of the obligor during periods of rising interest rates and economic downturn. Any such investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches of contractual covenants. A defaulted investment may become subject to workout negotiations or may be restructured by, for example, reducing the interest rate, a write-down of the principal, and/or changes to its terms and conditions. Any such process may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on the defaulted investment. In addition, significant costs might be imposed on the lender, further affecting the value of an investment. The liquidity in such defaulted investments may also be limited and, where a defaulted investment is sold, it is unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest owed on that investment. This would have a material adverse effect on the value of the Client portfolio. In the case of secured loans, restructuring can be an expensive and lengthy process which could have a material negative effect on the anticipated return on the restructured loan.

Financial Market Fluctuations

General fluctuations in interest rates and the market prices of investments may adversely affect the value of the Client's investments. Instability and volatility in interest rates and the debt, equity and other relevant markets may also increase the risks inherent in a Client's investments. The ability of an underlying issuer to refinance debt may depend on the ability to sell new debt and equity in the market, to borrow from banks or do otherwise, which may not be achievable on favorable terms or at all. A deterioration of the global debt markets (particularly the E.U. and U.S. debt markets), any possible future failures of financial services companies or a significant rise in market perception of counterparty default risk will likely significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer financing for investments on less favorable terms than had been prevailing in the past.

In recent years, U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for Clients and may affect the Clients' ability to make investments and the value of the investments held by the Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Clients' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on borrowers and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that borrowers will be able to exit from their investments in borrowers by listing their shares on securities exchanges, which could have an impact on the value of positions in Client accounts. The trading market, if any, for the securities of any borrower may not be sufficiently liquid to enable the borrower to raise capital or refinance positions without adversely affecting the value of positions in client accounts. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Clients to buy, sell and partially dispose of their investments. Clients may be adversely affected to the extent that they seek to dispose of any of their investments into an illiquid or volatile market, and a Client may find itself unable to dispose of investments at prices that CVC Credit believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more of a Client's borrowers. The ability of borrowers to refinance debt securities depends on their ability to sell new securities in the public high yield debt market or otherwise.

Conditions in the credit markets, in particular, may have a significant impact on the business of CVC Credit. For example, the credit markets in the United States have experienced a variety of difficulties and changed economic conditions in recent years that have adversely affected the performance and market value of many securities and financial instruments. There can be no assurance that Clients will not suffer material adverse effects from broad and rapid changes in market conditions in the future.

Although the continued unfolding of the credit cycle may result in attractive investment opportunities, CVC Credit may not be able to time its investments correctly, which could result in depreciation in values. Furthermore, market conditions could deteriorate further, and CVC Credit may be limited in its ability to realize investments already made due to difficulties in buyers' ability to obtain financing on favorable terms, or to secure financing at all.

Carried Interest

The fact that CVC Credit, its affiliates and certain personnel receive carried interest based on the performance of a Managed Fund or other type of Client creates an incentive for CVC Credit to make investments that are more speculative than would otherwise be the case.

Cybersecurity Risk

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. CVC Credit's, Clients', the borrowers' and our service providers' information and technology systems may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, modify or prevent CVC Credit from accessing private and sensitive information, including non-public personal information related to investors (and their beneficial owners) and material non-public information. Although CVC Credit has implemented, and borrowers and service providers may implement or already have implemented, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. CVC Credit does not control the cyber security plans and systems put in place by third party service providers, and such third-party service providers may have limited indemnification obligations to CVC Credit and to borrowers, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in CVC Credit's, Clients' and/or a borrower's operations 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), material non-public information and the intellectual property and trade secrets of CVC Credit and/or borrowers and other sensitive information in the possession of CVC Credit and borrowers. CVC Credit, Clients and/or a borrower could be required to make a significant investment to remedy the effects of any such failures, harm their reputations, subject them and their respective affiliates to legal claims and adverse publicity and otherwise affect their business, financial performance and, indirectly, the performance of Client investments.

Such incidents could cause Clients, CVC Credit or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, Clients and/or CVC Credit may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Similar types of operational and technology risks are also present for the companies in which Clients invest, which could have material adverse consequences for such companies, and may cause Clients' investments to lose value.

The CVC Group has established procedures and systems that we believe are reasonably designed to seek to reduce the risks associated with cybersecurity incidents. These efforts include encryption and next generation endpoint protection, IDS\IPS, bi-annual penetration and phishing testing, advanced two factor authentication and identity management systems, robust diligence as part of the vendor onboarding process, and a comprehensive cybersecurity training and education program. In light of the evolving nature of cybersecurity risks, there can be no guarantee that these efforts will succeed in avoiding or mitigating the potential impact of cybersecurity incidents, and CVC Credit cannot control

the cybersecurity practices and systems of issuers or third-party service providers. In addition, as the use of technology has become more prevalent, CVC Credit and its Clients have potentially become more susceptible to operational risks through cybersecurity attacks.

Anti-Money Laundering Regulatory Developments

In January 2024, the U.S. Corporate Transparency Act and its beneficial ownership information reporting requirements (collectively, the “CTA”) became effective, requiring certain legal entities to report beneficial ownership information to the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”). The CTA will impose increased compliance costs, regulatory obligations, and reporting burdens on CVC Credit and Clients.

In February 2024, the United States Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) proposed a rule which would require registered investment advisers (“RIAs”) and investment advisers that report to the SEC as exempt reporting advisers (“ERAs”) to implement an anti-money laundering program, file suspicious activity reports, and to maintain additional records related to such activities. It is unknown at this time whether the SEC and FinCEN will adopt these proposals, with or without amendments, and the timing of adoption. If the rule is adopted, it would impose increased compliance costs, regulatory obligations, and reporting burdens on investment advisers, including CVC Credit.

Counterparty Risk

Clients will be exposed to the credit risk of the counterparties with which CVC Credit and Clients transact. These parties may include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, trustees, administrators, and other financial intermediaries. These parties may default on their obligations to CVC Credit Clients due to bankruptcy, lack of liquidity, operational failure or other reasons and such failure of a broker may result in adverse consequences for the assets held by such party, which may in turn have an adverse effect on the value of the investments.

Material Non-Public Information

Investment professionals at CVC Credit may acquire confidential information concerning an entity in which Clients have invested, or in which CVC Credit is considering an investment on behalf of one or more Clients. Acquiring material, non-public information may limit CVC Credit’s ability to buy or sell particular securities or other instruments of the entity on behalf of a Client, and this in turn may limit the investment opportunities or exit strategies available to a Client.

CVC maintains an information barrier to isolate and prevent communication of material, non-public information held by Glendower, Private Credit and/or CVC Capital Partners on the one hand, to Performing Credit on the other hand, except as expressly provided for in CVC’s information barrier procedures and subject to appropriate procedural oversight. The purpose of this information barrier is, among other things, to confine any material, non-public issuer-specific or price sensitive information obtained by Glendower, Private Credit and/or CVC Capital Partners personnel, such that the investment activities of Performing Credit are not restricted as a result of material non-public information being imputed to the personnel on the Performing Credit side of the barrier. As a result of this information barrier, Performing Credit personnel may not be able to use, act on or otherwise be aware of information that is known by or in the possession of the personnel of Glendower, Private Credit and/or CVC Capital Partners. Collaboration between Performing Credit personnel and Glendower, Private Credit or CVC Capital Partners personnel may therefore be limited; this in turn may reduce potential synergies across CVC.

Glendower and CVC Capital Partners may, subject to procedures administered by CVC Compliance, share or receive information regarding borrowers, issuers, and funds with or from Private Credit. Private Credit may also receive information regarding borrowers and issuers from Performing Credit subject to similar procedures. This information may include material non-public information. Consequently, the investment activities of Private Credit may be restricted as a result of material non-public information held by Glendower, CVC Capital Partners and/or Performing Credit being imputed to personnel of

Private Credit. Under certain circumstances, additional temporary information barriers may be put into place with respect to certain issuers, assets, personnel, or investment teams to manage the flow of information amongst the different investment teams of CVC Credit, Glendower and CVC Capital Partners.

Due to this information sharing, Private Credit will in many cases be restricted from transactions involving issuers about which Glendower, CVC Capital Partners and/or Performing Credit have confidential or non-public information. Consequently, Private Credit may not be able to buy or sell a particular security or other instrument on behalf of its Clients because one or more personnel of CVC Credit, Glendower, or CVC Capital Partners possesses material, non-public information concerning the instrument's issuer or the market for the issuer's securities or other instruments. Similarly, in such circumstances, Private Credit may not be able to dispose of a security or other instrument owned by a Client, even in a declining market, until the information becomes publicly available or immaterial and the trading in the issuer's securities or instruments is no longer restricted.

CVC may in the future establish or modify these or other information barriers between one (1) division of CVC, on the one hand, and the rest of CVC on the other, or between the investment teams within a division of CVC. Additionally, the terms of confidentiality or other agreements with or related to companies in which CVC has or has considered making an investment or which is otherwise an advisory client of CVC may restrict or otherwise limit the ability of CVC Credit to make investments in or otherwise engage in businesses or activities competitive with such companies. CVC may enter into one (1) or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for CVC, may require CVC to share such opportunities or otherwise limit the amount of an opportunity that CVC, including CVC Credit, can otherwise take.

Public Company Holdings

A Client's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Client to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include but are not limited to greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Client to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including CVC Credit investment professionals, and increased costs associated with each of the aforementioned risks.

Privately Held Companies

Privately held companies generally maintain less comprehensive financial information than listed companies. Therefore, CVC Credit may make investment decisions, and monitor investments, after reviewing information which is less comprehensive than that available to an investor in a listed public company. A public market for investments may never develop, and it may be difficult for Clients to liquidate investments or find prospective buyers in the private market.

Regulatory Risk

CVC Credit cannot give any assurance that any individual borrower is, or will continue to be, fully compliant with all applicable regulations. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments, which in turn may affect the distributions which a CVC Credit Client receives from such investments. Regulatory restrictions may reduce the number of investment opportunities available to Clients or result in a Client being unable to pursue certain elements of its investment strategy.

Clients may make investments in borrowers operating in industries that are subject to greater amounts of regulation than other industries generally. These more highly regulated industries may include energy, healthcare, financial services (including banking and mortgage servicing), insurance, transportation (e.g., aviation) and businesses that serve primarily customers that are governmental entities. Investments in borrowers that are subject to (or whose primary customers are subject) greater amounts of governmental regulation pose additional risks relative to investments in other companies

generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and/or regulatory capital requirements in the case of banks or similarly regulated entities. If a borrower fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines and other disciplinary measures. A borrower also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a borrower's business and governments may be influenced by political considerations and may make decisions that adversely affect a borrower's business. Additionally, certain borrowers may have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a borrower's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any of such borrower's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such borrower's facilities could have a material adverse effect on its business, results of operations and financial condition. Additionally, any such problems may bring scrutiny and attention to the relevant Client, which could adversely affect such Client's ability to implement its investment objectives.

Foreign Investment Controls

Foreign investment in loans and securities of companies in certain of the countries where a Client invests is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain assets, asset classes or sectors of the country's economy. A Client may utilize investment structures to comply with such restrictions, but there can be no assurance that a foreign government will not challenge the validity of these structures or change laws in a way that reduces their effectiveness, imposes additional governmental approvals, restricts or prohibits a Client's investments or taxes, or restricts or otherwise prohibits repatriation of proceeds. These restrictions or controls may limit the potential universe of buyers of an asset, thereby reducing the demand for assets a Client seeks to sell. For example, the Committee on Foreign Investment in the United States may determine a foreign entity cannot buy an asset being sold by a Client in the United States.

Market Stability

The operation of a Client's investments may be affected by sovereign or political risk. Major disturbances such as wars, riots, strikes, blockades, acts of terrorism or outbreak of associated military or responsive action have the potential to adversely affect the costs or revenues of a Client's investments, which could have a material adverse effect on the earnings of the Client and its ability to make distributions.

General economic conditions, including interest rates, the availability of financing, the price of securities and participation of other investors in the financial markets may adversely affect the value and number of investments made by a Client. There is a risk, particularly given the recent instability in the financial sector that counterparties may default on their contractual obligations to the Client or its investments. Any such counterparty default would be likely to have an adverse effect on the value of the investments and on the returns to investors.

The public markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such environment is currently unknown. A recession, slowdown and/or sustained downturn in the global economies (or any particular segment thereof) or weakening of credit markets will adversely affect a Client's ability to effectively deploy capital, impede the ability of a Client's investments to perform under or refinance their existing obligations, and impair a Client's ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to a Client in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular investment's capital

structure. CVC Credit itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry in particular, or global economies generally.

Recent Developments in the Banking Sector

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. In particular, recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy, and may impact the financial condition of banks and other financial institutions outside of the United States. For example, on March 19, 2023, it was announced that UBS Group AG would acquire Credit Suisse Group AG, with support from the government of Switzerland, following deterioration of the financial condition of Credit Suisse and on May 1, 2023, First Republic Bank was closed and the Federal Deposit Insurance Corporation ("FDIC") was appointed receiver by California regulators. Concurrently, the FDIC announced that JPMorgan Chase Bank would assume all of First Republic Bank's deposits and substantially all of its assets subject to a loss-share agreement with the FDIC. In addition, certain financial institutions—in particular smaller and/or regional banks—have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Clients) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, will be similarly impacted, and it is uncertain what steps (if any) regulators would take in such circumstances. As a consequence, for example, the Clients may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and investors in Clients may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-investors, syndicate members or other parties to undertake and/or execute transactions with Clients, which in turn would result in fewer investment opportunities being made available to Clients, result in shortfalls or defaults under existing investments, or impact the Clients' ability to provide additional follow-on support to borrowers. In addition, in the event that a financial institution that provides credit facilities and/or other financing to Clients closes or experiences distress, there can be no assurance that such bank will honor its obligations or that Clients will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that Clients will establish banking relationships with multiple financial institutions, and Clients are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures and general concern regarding the financial health and outlook for other financial institutions could have an overall negative effect on banking systems and financial markets generally. There is a risk that these recent developments will also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect Clients.

United Kingdom ("UK") – Future Trade with the European Union ("EU")

The withdrawal of the UK from the EU has resulted in some divergence between the laws and regulations applicable in the UK and the EU. This divergence is expected to increase over time and will as such, increase the compliance and regulatory burden of the Managed Funds.

Although the arrangements between the UK and EU following the UK's withdrawal provide for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin (subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency), market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff

barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and value-added tax ("VAT") purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU. Understanding and adapting to these new arrangements may result in increased operational and compliance burdens for the Managed Funds. In addition, there may be an adverse effect on Clients, the performance of their investments and their ability to fulfil their investment objectives (especially if its investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

Environmental Matters

Environmental laws, regulations and regulatory initiatives play a significant role in certain industries and can have a substantial impact on investments in these industries. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. A Client may invest in investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of a Client's investments will not cause injury to the environment or to people under all circumstances or that a Client's investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on a borrower or project, and there can be no assurance that borrowers will at all times comply with all applicable environmental laws, regulations and permit requirements. Any noncompliance with these laws and regulations could subject a Client and its positions to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as a Client) subject to environmental liability. However, an investor may reduce its risk of such personal liability by avoiding activities with respect to a Client's investments other than as specifically contemplated by the partnership or loan agreements.

Additionally, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international and regional regulatory authorities. Many industries (e.g., manufacturing, transportation and insurance) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses, especially for electricity, and, under certain circumstances, could prevent or impede completion of investment activities once undertaken, any of which could have an adverse effect on a Client.

Certain regions in which Clients invest or conduct activities related to investments may be particularly sensitive to weather and climate conditions. Prolonged changes in climatic conditions could have a significant impact on the revenues, expenses and conditions of certain investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, cause droughts, affect wind levels, annual sunshine levels, sea levels and the severity and frequency of storms and create or substantially contribute to other severe weather events and increased volatility in seasonal temperatures. In the event that climate change causes sea levels to rise, certain

investments might be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Moreover, if the evidence supporting climate change continues to mount, various regulatory agencies may enact more restrictive environmental regulations. These more restrictive regulations could materially impact the revenues and expenses of an investment. Damage resulting from extreme weather may not be fully insured.

Certain regions in which Clients may invest or conduct activities related to investments are also susceptible to natural disasters that could have a severe impact on the value of, and even destroy, assets in those regions. Health or other government regulations adopted in response to natural calamities may require temporary closure of corporate and governmental offices upon a disaster, which would severely disrupt a Client's operations in the affected area. Clients' investments are therefore subject to significant geological risks that could lead to significant loss of life and economic loss. Such catastrophic losses may either be uninsurable or insurable at such high rates as to make such coverage impracticable. If such a major uninsured loss were to occur with respect to any Client's investments, such Client could lose both invested capital and anticipated profits.

CVC Credit has also developed a business continuity plan that is designed to minimize the disruption of normal business operations in the event of a cybersecurity or other incident, such as a natural disaster, that would impact CVC Credit's normal operations. While CVC Credit believes that this plan is comprehensive and should enable the Firm to continue or reestablish normal business operations in a timely manner in the event of an adverse incident, there are inherent limitations in such plans, including the possibility that contingencies have not been anticipated and procedures do not work as intended. In the case of a broader Significant Business Disruption, it is possible that CVC Credit or our key service providers could be prevented from providing services to Clients, or able to provide only limited services to Clients, for an extended periods of time. These circumstances may include, without limitation, acts of governments, any act of declared or undeclared war or of a public enemy (including acts of terrorism), power shortages or failures, utility or communication failure or delays, labor disputes, strikes, epidemics, shortages, supply shortages, and system failures or malfunctions.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of CVC Credit, service providers to CVC Credit or to Clients and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization, the failure to comply with operational, compliance and risk procedures, including due diligence procedures, improper allocation of expense to Clients, misrepresentations as to investments being considered by such Clients, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Clients and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Clients. CVC Credit has controls and procedures through which we seek to minimize the risk of such misconduct occurring. However, no assurances can be given that CVC Credit will be able to identify or prevent such misconduct.

Economic Sanctions, Trade Controls and Anti-Corruption Considerations

Economic sanction laws and other trade controls in the United States, the European Union, the United Kingdom and other jurisdictions may prohibit CVC Credit, CVC Credit investment professionals and the Clients from transacting with or in certain countries and with certain individuals and companies. For example, in the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. Other jurisdictions maintain different and/or additional economic and trade sanctions, including their own lists of prohibited countries, territories, persons and entities. In addition, certain economic sanction programs prohibit dealing with individuals or entities in certain countries or

territories regardless of whether such individuals or entities appear on such lists. The United States and other jurisdictions also administer and enforce other trade controls, including export controls, that may prohibit or limit activities involving certain countries, entities, or individuals. These types of sanctions and trade controls may restrict Clients' investment activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities. CVC Credit and CVC Credit investment professionals are committed to complying with anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, a Client may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for a Client to act successfully on investment opportunities and for borrowers to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the U.S. Foreign Corrupt Practices Act ("FCPA"). In addition, the United Kingdom has continued to broadly enforce the UK Bribery Act of 2010 ("UK Bribery Act"). Affiliates of borrowers may engage in activities that could result in violations of the FCPA, the UK Bribery Act, or other applicable anti-corruption laws or anti-bribery laws.

Any determination that CVC Credit has or may have violated economic sanctions, trade controls including export controls or the FCPA, the UK Bribery Act or other applicable anti-corruption laws or anti-bribery laws could subject CVC Credit to, among other things, reputational harm, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect CVC Credit's business prospects and/or financial position, as well as Clients' ability to achieve their investment objective and/or conduct its operations. Clients may also incur costs and expenses associated with inquiries or investigations relating to economic sanctions, trade controls including export controls or anti-corruption laws or anti-bribery laws.

Force Majeure

Investments may be affected by events beyond the control of the relevant company in which the Clients have made an investment, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, and so on. Some of these "force majeure" events may adversely affect the ability of a company to perform its obligations until it is able to mitigate the effects of the event, or the underlying circumstances change. These risks could, among other effects, adversely impact the cash flows available from a company in which the Clients have invested, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a company in which the Clients have invested of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Events that persist for a lengthy period of time, for which no mitigation is available, may have a permanent adverse effect on a company in which the Clients have invested. Certain events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Clients may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more companies in which the Clients have invested or its assets, could result in a loss to the Clients, including if the investment in such companies is cancelled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of CVC Credit's Clients and their investments.

European Commission Action Plan on Financing Sustainable Growth

The European regulatory environment for alternative investment fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "**Action Plan**"), setting up the sustainable finance strategy for the EU to transform the entire financial system and reorient capital flows towards sustainable investment. The

reorientation of capital flows toward sustainable investment is to be achieved through the selection of appropriate investments by well-informed, or suitably advised, investors who may themselves be under an obligation to disclose to their own stakeholders how they integrate sustainability into their own decision-making. The Action Plan was updated in August 2020 and, in July 2021, the European Commission published a strategy for financing the transition to a sustainable economy.

It is difficult to predict whether the Action Plan will succeed in reorienting capital flows and, if it is successful, the impact it will have on the returns to investors. There is a risk that the value of investments made by a Client in pursuing its investment strategies could be adversely affected by changes to economic conditions brought about by the Action Plan initiatives.

As part of the original Action Plan, the European legislators have adopted the Sustainable Finance Disclosure Regulation (2019/2088) (the “SFDR”), which took effect from 10 March 2021, and the Regulation on the establishment of a framework to facilitate sustainable investment (2020/852) (the “Taxonomy Regulation”) which took effect from January 2022. Both the SFDR and the Taxonomy Regulation have since been supplemented by delegated legislation specifying detailed implementing and regulatory technical standards, including Commission Delegated Regulation (EU) 2022/1288 (commonly referred to as the “RTS”). The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in an alternative investment fund manager’s processes and the provision of sustainability-related information with respect to AIFs. In addition, the Taxonomy Regulation establishes a framework (and detailed criteria in regulatory technical standards made under the Taxonomy Regulation) to determine whether an economic activity qualifies as an environmentally sustainable economic activity and requires in-scope financial products to disclose whether, and if so, the degree to which is the financial product is invested in investments with exposure to such environmentally sustainable economic activities.

As of the date hereof, the full impact of the SFDR and the Taxonomy Regulation on Clients continue to develop as guidance and clarifications are published by the European Commission and the European Supervisory Authorities. There could also be divergent interpretations of the requirements at EU Member State level, and national guidance and supervisory activities have already emerged in certain Member States. CVC Credit will therefore have to continue to monitor any developments to these regulations and their implementation. As implementation and supervisory practices develop, it is difficult to assess the impact on costs of compliance with the SFDR and the Taxonomy Regulation. Resources will need to be allocated to continue to assess how such entities are impacted and the effects of any additional compliance and reporting burdens.

In addition, on 14 September 2023 the European Commission published a consultation to gather information from stakeholders on the current implementation of the SFDR and to seek views on potential future changes to the regime, in particular in relation to the possibility of the establishment of a categorization system for financial products. No final proposals have yet been set out, but the consultation could lead to further changes to the SFDR. It is unclear to what extent any such changes could impact Clients and/or whether transitional relief would be made available to financial products in existence prior to the date of such changes. It is unclear as to how any such future changes could impact CVC Credit’s ability to manage Clients in line with their investment strategies or as to what additional costs could be borne by such funds.

Furthermore, a final report by the European Supervisory Authorities on proposed revisions to the RTS was published on December 4, 2023, including proposed changes to the disclosure framework for principal adverse impacts of investment decisions on sustainability factors and amendments to the existing disclosure templates for funds that promote environmental and/or social characteristics or which have sustainable investment or a reduction in carbon emissions as their objective. The proposed revisions to the RTS will not enter into force unless and until the proposals are adopted by the European Commission and pass through a non-objection process from the European Parliament and the Council of the European Union. If adopted, the proposed revisions to the RTS could result in increased costs to Clients if CVC Credit is required to adopt amendments to the funds pre-contractual disclosures and/or restrict the ability of CVC Credit to achieve Clients’ investment objectives.

There is a risk that a Client’s SFDR classification will affect the pool of investors the Client will be able to target.

In addition, on August 2, 2021, a number of delegated regulations that are part of the Action Plan were published in the Official Journal of the EU, which amend, amongst others, the MiFID II Delegated Regulation 2017/565 (the “MiFID II Org Regulation”), Commission Delegated Directive 2017/593 (the “MiFID II Delegated Directive” together with the MiFID II Org Regulation, “Level 2 MiFID II”) and Commission Delegated Regulation (EU) 231/2013 (“Level 2 AIFMD”), on the integration of certain environmental, social and governance considerations and sustainability risks into certain organizational requirements and product governance. Further, the changes introduced to Level 2 MiFID II could have an impact on the ability of third-party distributors or third-party investment managers in the EU to recommend or to invest in Clients on behalf of their clients. The Level 2 MiFID II obligations have applied since August 2, 2022, and November 22, 2022, respectively, while the Level 2 AIFMD obligations have applied since August 1, 2022.

The UK announced that it will not implement the SFDR into national law following the UK’s withdrawal from the EU. Nonetheless, the UK has introduced ESG-related disclosure requirements for asset managers, including disclosures for certain UK asset managers that align to the recommendations of the Taskforce on Climate-related Financial Disclosures, which apply in full from 2024, and rules introduced in late 2023 (to apply from 2024 onwards) establishing a new regime for Sustainability Disclosure Requirements (“SDR”) and investment labels, and including new naming and marketing requirements for funds that have sustainability characteristics. In general, the above UK ESG related disclosure requirements are expected to have limited direct impact on non-UK funds managed by non-UK asset managers (including the Clients) as they will apply only to UK authorized firms and do not currently extend to overseas funds; however, there could be an indirect impact on Clients in circumstances where such funds are marketed to investors via a UK authorized firm acting as a placement agent or distributor (including an affiliate of CVC Credit), as such firms are required to comply with an “anti-greenwashing rule”, which may result in additional costs to Clients and/or reputational risk to CVC Credit, and may impact the way in which a distributor is able to market Clients on behalf of CVC Credit to UK investors. Nonetheless, there is still uncertainty as to the potential indirect impacts of this SDR and investment labels regime on CVC Credit and Clients. The FCA has stated its belief that the regime would be enhanced by including additional funds within scope of the new SDR and investment labels regime, including overseas funds; however, this will require secondary legislation to be introduced by the UK government. If the UK’s ESG related disclosure requirements were to become applicable to Clients, this could result in additional regulatory costs to be incurred by Clients.

Compliance with the SFDR, the Taxonomy Regulation and other applicable ESG-related rules is expected to result in increased legal, compliance, reporting and other associated costs and expenses which will be borne by Clients, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters, and such costs and expenses may reduce investor returns. CVC Credit and Clients reserve the right to adopt such arrangements as they deem necessary or desirable to comply with any applicable requirements of the SFDR, the Taxonomy Regulation and any other applicable legislation or regulations related to the Action Plan.

Service Providers and Value-Added Investors

Certain conflicts of interest may arise in respect of service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment or commercial banking firms), which may be CVC Capital borrowers or companies to which CVC Credit Clients are material lenders, and certain other advisors and agents of a Client which may be investors and/or sources of investment opportunities and co-investors or counterparties in a particular Client, and may also provide goods or services to or have business, personal, financial or other relationships with CVC Credit and/or its affiliates or be entities in which CVC Credit and/or a particular Client has an investment. In these circumstances, payments by the relevant Client and/or such entities may indirectly benefit CVC Capital, CVC Credit and/or such Client. In particular, employees of CVC Credit or its affiliates, and/or their family members or relatives in certain cases have ownership, employment, or other economic or other interests in certain services providers to a Client or its borrower. These relationships may influence CVC Credit or an affiliate in deciding whether to select such a service provider to perform services for the particular Client or in respect of any investment (the cost of which will generally be borne by the Client).

In addition, CVC Credit and its related persons may, in certain instances, receive discounts on products and services provided by borrowers or CVC Portfolio Companies or by affiliates, and/or the customers or suppliers of such borrowers.

Public Health Risks and Deterioration in Market Conditions

The outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization previously declared a public health emergency of international concern ("PHEIC"), has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global ramifications of the outbreak rapidly evolved over the course of the pandemic, and many countries reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, vaccine mandates (e.g., for certain public sector employees) and other restrictive measures designed to help slow the spread of COVID-19. Certain countries and regions implemented a "dynamic COVID zero" or strict containment policy and imposed and lifted lockdown measures with limited notice and with uncertain durations. Businesses at different times and to different degrees also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, created significant disruption in the global public and private markets, supply chains and economic activity and were especially impactful on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries, and it remains to be seen to the extent that certain market or societal adjustments associated with COVID-19 (for example, "work-from-home" trends and shifts to online consumer platforms) will continue. As a result, and due to the potential for future outbreaks of COVID-19, the potential impacts including global, regional or other economic recession or adverse market impacts that have already occurred, the likelihood of an ongoing and/or exacerbated impact is uncertain and difficult to assess.

Any future PHEIC or other public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, respiratory syncytial virus or RSV, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Clients and the borrowers and could meaningfully affect the Clients' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Clients' and their respective borrowers' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that resulted from the COVID-19 pandemic has contributed and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on the Clients and their borrowers at a future point when COVID-19 may not be as prevalent in the public.

For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgements even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of a Client's borrowers, such Client's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and such Client's ability to achieve their investment objectives, all of which could result in significant losses to such Client. In particular, a public health emergency like the COVID-19 PHEIC may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended and uncertain period of time. In this regard, views and other forward-looking statements expressed in this document are based upon assumptions that may not be valid during or following a public health emergency such as the COVID-19 PHEIC.

In connection with the impacts of the COVID-19 PHEIC and any future such public health crisis, the Clients are expected to incur heightened legal expenses which could similarly have an adverse impact to the Clients' returns. For example, but not by limitation, a Client or borrower may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by such Client and/or a borrower. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Client or a borrower in the form of economic harm, data loss or other negative outcomes.

Artificial Intelligence and Machine Learning Developments

Recent technological advances in artificial intelligence and machine learning technologies (collectively, "AI Technologies"), including, for example, the OpenAI ChatGPT application, create opportunities for CVC, its Clients and borrowers, as well as risks. CVC uses and may expand its use of AI Technologies in connection with its business and investment activities and expects its borrowers and investments will use such technologies. Actual usage of such AI Technologies will vary across its business and the business of its borrowers, and while CVC has adopted usage policies and procedures governing the use of AI Technologies by its personnel, which it intends to adjust from time to time as AI Technology continues to evolve, there is a risk of misuse of such AI Technologies.

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

Moreover, use of AI Technologies by any of the parties described in the previous paragraphs could include the input of confidential CVC information (including material non-public information and personal information) by third parties in contravention of non-disclosure agreements and, whilst CVC has policies and procedures in place which provide that uploading confidential CVC information to AI Technologies platforms is prohibited unless approved by Compliance, it could also include CVC personnel or other related parties inputting such confidential information in contravention of such policies and procedures (or by any such parties in accordance with CVC policies, procedures and/or non-disclosure agreements), and in any case, could result in such confidential information becoming part of a dataset that is accessible by AI Technologies applications and users. The use of AI Technologies, including potential inadvertent disclosure of confidential CVC information, could also lead to legal and regulatory investigations and enforcement actions.

AI Technologies and their current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

Geopolitical Risk, including Russian Invasion of Ukraine and Israel/Hamas Conflict

On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions). On February 22, 2022, the United States, United Kingdom and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. Additional sanctions, export controls, and other measures continue to be adopted as the conflict continues. For example, in September and October of 2022, following the purported annexation by Russia of four territories of Ukraine, several nations imposed additional sanctions, export controls, and other measures against Russia and those outside of Russia that provided political or economic support for the purported annexation. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally (including in the countries in which Clients invest), and therefore could adversely affect the performance of Clients' investments. Furthermore, given the ongoing nature of the conflict between the two nations and its ongoing escalation (such as Russia's decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to Clients and the performance of its investments or operations, and the ability of Clients to achieve their investment objectives. Furthermore, if after subscribing to the Managed Funds, an investor is included on a sanctions list, the Managed Funds may be required to cease any further dealings with the investor's interests until such sanctions are lifted or a license is sought under applicable law to continue dealings. Although CVC and its affiliates expend significant effort to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by the Managed Funds' activities or investors, which would adversely affect the Managed Funds.

On October 7, 2023, Hamas (which controls the Palestinian territory of Gaza) commenced an assault on Israel. As of the date of this document, Israel and Hamas remain in active armed conflict. In response, the United States has announced sanctions and other measures against Hamas-related persons and organisations, and the United States and/or other countries may announce further sanctions related to the ongoing conflict in the future. The ongoing conflict and rapidly evolving measures in response to such conflict could have a negative impact on the economy and business activity globally (including in countries in which Clients invest and/or in countries in which CVC and/or any of its service providers or their respective affiliates maintain operations). This could, in turn, adversely affect the performance of the Clients and their investments. Further, the severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and, as a result, the situation presents material uncertainty and risk with respect to Clients and the performance of their investments or operations, and the ability of Clients to achieve their investment objectives.

Furthermore, geopolitical relations may further worsen between the U.S. government (as well as other governments) and China over Taiwanese sovereignty which may have significant macroeconomic effects on the global economy (including, but not limited to, currency fluctuations and/or other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise)). To the extent that this situation escalates, there could be additional significant impacts on the industries and sectors in which the Clients seek to make investments, the jurisdiction of investments and other adverse impacts on investments or Clients more generally. In addition, geopolitical and trade disputes may develop between other countries, which may have similar or more pronounced risks and consequences for Clients and/or their investments.

Inflation

Inflation and rapid fluctuations in inflation rates are having, and may in the future continue to have, negative effects on economies and financial markets, particularly in emerging economies. For example,

if a borrower is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Borrowers may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a borrower may earn more revenue but may incur higher expenses. As inflation declines, a borrower may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued, and more wide-spread inflation will not be a serious problem in the future and thus have an adverse impact on Clients' returns.

Indemnification; Hedge Clauses

The transactional nature of the business of Clients exposes Clients to risks of third-party litigation. Under the Clients' governing documents, the Clients will generally be responsible for indemnifying CVC Credit for costs incurred with respect to litigation. Such liabilities may be material. For example, CVC Credit may be subject to claims brought by borrowers. The indemnification obligations of a Client would be payable from its own assets, including (as applicable) the undrawn commitments of the investors in a Managed Fund. CVC Credit may recall distributions previously made to an investor, subject to certain limitations set forth in the partnership agreements. In addition, because Clients may advance the costs and expenses of an indemnitee pending the outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods in which a Client advances expenses to an individual or entity not aligned with or adverse to such Client. These indemnification obligations may impair the financial condition of a Client and its ability to acquire assets or otherwise achieve its investment object or meets its obligations.

The governing documents for the Clients generally contain provisions (sometimes referred to as "hedge clauses") that provide that CVC Credit and its agents have no responsibility or liability for any loss incurred by the Clients or any investor arising in connection with their activities on behalf of, or their association with, the Clients provided that such exculpation will not apply: (i) where such person acted in bad faith, was fraudulent or acted with willful misconduct; and (ii) with respect to any matter resulting from such person's gross negligence or material breach of the applicable governing documents, save where the relevant actions are undertaken in good faith and in reliance upon and in accordance with the advice of reputable legal counsel, where appropriate, or other qualified professional advisers. Hedge clauses are limited by, among other things, Section 206 of the Advisers Act, which the SEC has interpreted to impose certain duties on investment advisers that are not waivable.

The determination of the whether CVC Credit is entitled to be indemnified, or the applicability of a hedge clause to particular conduct, by CVC Credit, may create a conflict of interest with a Client. However, notwithstanding this potential conflict of interest, CVC Credit will make any such determination in good faith.

Pay-to-Play Laws, Regulations and Policies

A number of states and public pension plans have adopted "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments and certain contacts with state officials by individuals and entities seeking to do business with state entities, including investments by or advising public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government plan investor for two years after a contribution is made by the adviser or certain of its executives or employees to certain elected officials or candidates. If CVC or its employees or affiliates fail to comply with pay-to-play rules whether or not such non-compliance was intentional any such non-compliance could have an adverse effect on a Managed Fund by, for example, providing the basis for the withdrawal of the affected government plan investor and could be the basis for a violation of an applicable regulation.

Material Risks of Investment Strategies

Reinvestment Risk

For certain Clients, CVC Credit will generally reinvest without limitation any proceeds from investments for a specified period of time. The objective of reinvesting such capital contributions is to provide ongoing additional capital to potentially increase the total return from the investments to the investors. However, if such proceeds are reinvested, the investor's capital will continue to be subject to the risk of loss for a longer period of time. If reinvested proceeds are lost, such loss would offset at least a portion of any gains that may have been realized from prior investments, and it is possible that any such loss could exceed any such prior gains, thereby resulting in a possible loss of at least a portion of the investor's investment.

Interest Rate Risk

In response to recent higher than normal inflationary pressures, several central banks across the globe, including the European Central Bank, the Bank of England the Federal Reserve System of the United States, have recently raised their base rates of interest, have indicated that further increases to their base rates of interest are likely in the near future and are in the process of commencing a program of quantitative tightening which is expected to cause government bond yields, which are often used in the calculation of market interest rates for lending products, to increase.

A Client's investments will expose it to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. In addition to higher than normal inflationary pressures, factors that can affect market interest rates include, without limitation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets. There could be significant unexpected movements in interest rates, which movements could have adverse effects on investments and the economy as a whole.

CVC Credit, on behalf of its Clients, generally invests in a combination of floating rate and fixed income securities. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The value of equity securities is also affected by changes in interest rates. CVC Credit may or may not attempt to minimize the exposure of the portfolios of its Clients to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. Even if CVC Credit does attempt to do so, there can be no guarantee that it will be successful in mitigating the impact of interest rate changes.

LIBOR Discontinuation Risk

The London Interbank Offered Rate ("LIBOR") was the basic rate of interest used in lending transactions between banks on the London interbank market and was widely used as a reference rate for setting the interest rate on loans globally. As a result of benchmark reforms, publication of most LIBOR settings has ceased. In anticipation of the cessation of the use of LIBOR, financial industry groups established alternative reference rates, including the Secured Overnight Financing Rate ("SOFR"), which measures the cost of overnight borrowings through repurchase agreement transactions collateralized by U.S. Treasury securities. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to, or produce the same value or economic equivalence, as LIBOR or that contracts based on such new and developing alternative reference rates will have the same liquidity or volume as previous contracts based on LIBOR. Investments in loans, debt instruments or other investments tied to reference rates are subject to the risk of errors in the input data or in the calculation of such reference rate. The transition from LIBOR may adversely affect the liquidity and volatility of these investments. The transition from LIBOR could negatively impact financial markets and present heightened risk to an investment vehicle and its investments.

Credit Ratings are Not a Guarantee of Quality

Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency. In the event that a rating assigned to any corporate debt obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such corporate debt obligation. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any corporate debt obligation should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the corporate debt obligation. It is possible that many credit ratings of assets included in or similar to the corporate debt obligation will be subject to significant or severe adjustments downward.

Investment in Loans

The value of any loans held on behalf of Clients may be detrimentally affected to the extent that a borrower defaults on its obligations. While CVC Credit may in certain instances attempt to minimize this risk by obtaining collateral, there can be no assurance that the value assigned by CVC Credit to collateralize an underlying loan can be realized upon liquidation, nor can there be any assurance that any such collateral will retain its value. Furthermore, circumstances could arise (such as in the bankruptcy of a borrower) that could cause a Client's interest in the loan's collateral to be invalidated. Also, much of the collateral will be subject to restrictions on transfer intended to satisfy securities regulations, which will limit the number of potential purchasers if CVC Credit intends to liquidate such collateral on behalf of a Client. The amount realizable with respect to a loan may be detrimentally affected if a guarantor, if any, fails to meet its obligations under a guarantee. Finally, there may be a monetary, as well as a time cost involved in collecting on defaulted loans and, if applicable, taking possession of various types of collateral.

CVC Credit may, on behalf of its Clients, invest in second lien loans. Second lien loans are subject to the same investment risks generally applicable to loans, as described above. Second lien loans are also subordinate in right of payment to one or more senior loans of the related obligor. As a result, second lien loans are subject to additional risk that the cash flow of the related obligor and the property securing the second lien loan may be insufficient to repay the scheduled payments to the lender after giving effect to any senior secured obligations of the related obligor. Second lien loans are also expected to be more illiquid than senior first lien loans.

Additionally, CVC Credit may, on behalf of its Clients, invest in unsecured loans. Unsecured loans are subject to the same investment risks generally applicable to loans described above but are subject to additional risk that the assets and cash flow of the related obligor may be insufficient to repay the scheduled payments to the lender after giving effect to any secured obligations of the obligor. Unsecured loans will be subject to certain additional risks to the extent that such loans may not be protected, and such loans are not secured by collateral, financial covenants or limitations upon additional indebtedness. Unsecured loans are also expected to be a more illiquid investments than senior loans.

Furthermore, under the agreements governing most syndicated loans, if a holder of an interest in a syndicated loan wishes to call a default or exercise remedies against a borrower, it generally may not do so without the agreement of at least a majority of the other lenders. In addition, actions could be taken by a majority of the other lenders, or in some cases, a single agent bank, without the consent of all lenders. Each lender would nevertheless be liable to indemnify the agent bank for its ratable share of expenses or other liabilities incurred in such connection and, generally, with respect to the administration and any renegotiation or enforcement of the syndicated loans. Moreover, an assignee or participant in a loan may not be entitled to certain gross-up payments in respect of withholding taxes and other indemnities that otherwise might be available to the original holder of the loan. As lenders, CVC Credit Clients may be subject to the foregoing risks.

CVC Credit invests, on behalf of its Clients, in senior loans acquired through assignment or participations. In purchasing participations, the Client will usually have a contractual relationship only with the selling institution, and not the borrower. A Client generally will have no right directly to enforce compliance by the borrower with the terms of a loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to or waivers under the loan agreement, which was agreed to by the selling institution. A Client may not directly benefit from the collateral supporting the related senior loan and may not be subject to any rights of set-off that the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution in participation, a Client may be treated as a general creditor of such selling institution and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the senior loan. Consequently, a Client may be subject to the credit risk of the selling institution as well as of the borrower. Certain senior loans or loan participations may be governed by the law of a jurisdiction other than the United States or a U.S. state which may present additional risks with regards to the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

CVC Credit may aggregate bank debt investments to be purchased by one or more Clients with bank debt investments to be purchased by other Clients. In order to effect a bank debt purchase on behalf of multiple Clients, CVC Credit may be required by the selling institution, or may otherwise elect for investment, administrative, or other reasons to cause a single Client to purchase the bank debt and be the holder of record of the bank debt, and enter into sub-participation agreements or other similar arrangements with other Clients, allowing multiple Clients to participate in the positive and negative economic performance of the bank debt or other investments without actually owning the bank debt directly. This arrangement can, in certain cases, create conflicts among participating Client accounts. To address conflicts regarding the pricing of sub-participations, CVC Credit prices the sub-participations at the price paid by the issuing Client to the third-party from which it purchased the debt so that the economic effect of the transaction is the same as if the participants purchased directly from the third-party seller. Additionally, under the terms of participation arrangements, one or more Clients can be required to make future payments to another Client, and if any other fund or account were to default on its respective obligations to the Client that issues the participation, that Client could be adversely impacted. Also, where the issuing Client acts as the lender of record with respect to any purchase of bank debt or other investments, it may have greater administrative burdens and greater exposure to third-party claims than other funds and accounts that hold the interest by participation. When the issuing Client holds bank debt or other investments in a Client account managed by CVC Credit, the interest of the issuing Client and other participating Clients are typically aligned, and CVC Credit engages in administrative and risk oversight of the position on behalf of the issuing Client and all participating Clients. Where an issuing Client or participating Client seeks to liquidate a position, CVC Credit may be required to terminate the entire position, even if it would not otherwise seek to terminate the position for other Clients. CVC Credit may seek to establish an alternative issuing Client, reallocate participations in accordance with internal procedures for cross or principal transactions and applicable law, or take other steps to mitigate these risks, but the opportunity to mitigate these risks will not be available in all cases and/or may involve additional expenses and potential loss of capital.

Investment in Leveraged Loans

The underlying investments made by CVC Credit are comprised primarily of leveraged loans, which have significant liquidity and market value risks since they are not generally traded on an organized exchange but are traded by banks and other financial institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities.

Investing in Non-U.S. Assets

CVC Credit may, on behalf of its Clients, invest in non-U.S. assets. Investing in securities or other instruments issued outside of the U.S. involves considerations and possible risks not typically involved in investing in instruments of companies domiciled and operating in the U.S., including the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental

administration or economic or monetary policy (initiated from the U.S. or from abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in non-U.S. securities or other instruments. Higher expenses may result from investment in non-U.S. instruments than would from investment in U.S. securities or other instruments because of the costs incurred in connection with conversions between various currencies and the fact that foreign brokerage commissions may be higher than commissions charged in the U.S. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than U.S. markets. Investments in non-U.S. countries could be affected by other factors not present in the U.S., including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Leverage

CVC Credit may, on behalf of its Clients, utilize leverage through margin borrowing, use of derivatives, and through certain other financial transactions. Leverage increases returns to Clients if they earn a greater return on leveraged investments than their cost of such leverage. However, the use of leverage exposes the Client to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Client not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on an investment where the investment fails to earn a return that equals or exceeds the Client's cost of leverage related to the investment and (iv) fluctuations in interest rates on the Client's borrowings, which may have a negative effect on the Client's profitability. In case of a sudden, precipitous drop in value of a Client's assets, the Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Client. In addition to the enhanced portfolio volatility and risk that may arise from the use of leverage, the financial transactions that establish leverage generally subject Clients to credit risk with respect to the counterparty. Leveraging transactions often involve the transfer of legal title, pledge, or other encumbrance of underlying investments. Accordingly, the insolvency or bankruptcy of a financing counterparty may result in legal action that impairs the value, marketability, or ownership rights of the underlying investments used as collateral.

Difficulty and Cost of Locating Suitable Investments

There is no guarantee that suitable deal flow will be available so that Clients will be able to invest the aggregate commitments during their commitment periods or that any such investments will be successful. The success of Client investments depends on the ability of CVC Credit to identify and select, effect and realize appropriate investments. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, certain types of investments may not be available to a particular Client on terms that are as attractive as the terms on which opportunities were available to other Clients historically. Accordingly, Clients may make only a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors. To the extent that any of the aggregate commitments are not invested, Clients' potential for return may be diminished. No assurances can therefore be given that the target returns of any Client portfolio will be achieved.

Borrowings and Leverage; Subscription Facilities

Borrowers in which Clients invest are expected to incur debt from CVC Credit and, in certain cases, from other sources. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of borrowers will increase the exposure of Client investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Client's investments in the leveraged borrowers in a down market. In the event any borrower cannot generate adequate cash flow to meet debt service, the relevant Client is expected to suffer a partial or total loss of capital invested in the borrower, which could adversely affect the returns of the Client. Certain Clients enter into credit facilities (sometimes referred to as "subscription facilities") the collateral for which are the undrawn commitments of investors in the relevant Client. Typically, a Client will borrow under these credit facilities to fund the initial cost of investment (for either a new

investment or a follow-on investment) with any amounts outstanding being repaid by the Client drawing capital from its investors.

The four main effects of these credit facilities are:

1. Initial Rate of Return ("IRR") – the IRR for the relevant Client is likely to be higher than it otherwise would be without credit facility borrowing. This is because IRR is calculated based on the dates on which the capital is drawn from and returned to investors, and the use of the capital call facility to make or facilitate either investments in borrowers or distributions to investors has the effect of shortening the period of this calculation; however, the interest expense and other costs of any such borrowings will be a Client expense and, accordingly, will decrease net returns of the Client;
2. Preferred Return – the accrued preferred return is likely to be lower as it is based off the date on which the investor capital is drawn and the use of the capital call facility is to shorten the period of this calculation;
3. Money on Money ("MoM") - funding an investment with a credit facility reduces the overall capital gain given the interest expense and associated costs is an additional expense of the fund. This results in the relevant fund reporting a lower MoM multiple to investors; and
4. Carried Interest – a lower capital gain will reduce the amount of carry that a fund generates given carried interest is typically calculated as the lower of (i) a percentage of the total capital gain and (ii) the delta between the actual capital gain and the preferred return.

Certain of these effects are expected to provide an incentive for Clients to use a credit facility to fund the initial cost of an investment or to fund distributions to limited partners (for example, to be able to use a higher IRR in marketing presentations) when doing so may not necessarily benefit the Client or its limited partners.

Valuation Risks

There is no actively traded market for some of the positions owned by certain Clients in the more illiquid strategies managed by CVC Credit. A majority of these Clients' investments may be fair valued by CVC, if applicable. When determining fair value, CVC Credit will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments and will make certain assumptions about future events. There can be no assurance that investments will ultimately be realized for amounts equal to, or greater than, these valuations, or that the past performance information based on such valuations will accurately reflect the ultimate realization value of such investments, and the difference between any such valuation and the ultimate sale price or realization could be material. The actual realized returns generated by unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, and any related transaction costs and performance data. Valuations are subject to determinations, subjective judgments and opinions, and investors or other third parties may disagree with such valuations and / or their underlying methodologies and assumptions. With respect to these Clients, the exercise of discretion in valuation by CVC Credit gives rise to conflicts of interest, including (without limitation) in relation to the impact of valuations (including, for instance, the determination of when an investment should be written down or written off) on CVC Credit's track record (including its ability to raise capital for future CVC Credit funds), the performance allocation in certain Managed Funds, and the amount and timing of performance fees and calculation of management fees. There could be circumstances where CVC Credit is incentivized to determine valuations that differ from the actual fair value of such investments.

CVC Credit will value the Clients' assets using pricing feeds, quoted prices, or fair value. CVC Credit may engage independent qualified valuers to assist in these determinations, however, it is not required to do so unless required by a specific regulatory or Fund requirement. Given the nature of the Clients' investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Clients' assets.

Side Letters

CVC may enter into side letters or other similar agreements with particular investors in connection with their admission to Managed Funds generally without the approval of any other investor, which has the effect of establishing rights under or supplementing the terms of the partnership agreements with respect to such investor in a manner more favourable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement are expected to include, without limitation, (i) excuse rights applicable to particular investments (which will increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments) or withdrawal and/or related rights with respect to the Managed Fund generally in certain limited regulatory and/or policy related circumstances, (ii) reporting obligations of CVC, (iii) waiver of certain confidentiality obligations, (iv) management fee discounts, (v) consent of CVC to certain transfers by such investor, (vi) preferential access to co-investment opportunities, or (vii) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor. Certain side letters grant certain investors the right to nominate a member to a Managed Fund's advisory board; such membership may result in preferential access to confidential Managed Fund information. Such side letters will permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms established in a side letter with an investor will govern solely with respect to such investor (and any of such investor's assignees or transferees if so specified in the side letter) and will generally not require the approval of any other investor. In addition, side letter arrangements with certain investors of the Managed Funds may impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Managed Fund.

Fund Closing

The general partner of a Managed Fund shall be under no obligation to proceed with a closing until it determines, in its absolute discretion, that a sufficient level of commitments has been raised to enable a Managed Fund to pursue its strategic objectives. If a Managed Fund does not hold a first closing, investors will not be admitted to the Managed Fund and no funds will be drawn down from investors.

Co-Investment Opportunities

In certain situations, a Client may not take up an entire investment opportunity or retain an investment in full and CVC Credit or an affiliated general partner may determine that one or more parties should participate in such investment alongside the particular Managed Fund(s) and other Clients at the time such investment is made or following a syndication process. CVC Credit and its affiliates may offer co-investment opportunities in their sole discretion, are not expected to offer co-investment with respect to all investment opportunities, and may allocate any such opportunities in their sole discretion, including for example, on the basis of the size of investor commitments to Managed Funds, perceived ability for a co-investor to respond rapidly or in certain amounts to co-invest opportunities, or on the basis of any other factor or factors CVC Credit or an affiliate considers appropriate. Consequently, all investors in a Managed Fund may not be afforded an equal opportunity to participate in co-investments, and third parties that are not investors in the Managed Fund may be offered co-investment opportunities that are not offered to investors in the Managed Fund. For example, a Managed Fund may co-invest with current or former clients of CVC Credit or other market participants with which CVC Credit has or wants to develop important business relationships. Such relationships could influence the decisions made by CVC Credit with respect to the purchase or sale of an investment involving co-investment with a co-investor. Furthermore, a co-investor could have interests that may be contrary to the investment objectives of the Managed Fund. Prospective investors should also note that investors are not required, solely by virtue of their investment in a Managed Fund, to participate in co-investments. Moreover, transaction-specific returns, and an investor's overall returns from its exposure to the investments of a Managed Fund, may be affected significantly by the extent to which investors are offered and choose to participate in co-investment opportunities. The actual number of co-investment opportunities made available to investors may be higher or lower than those made available in connection with other CVC Credit Managed Funds and other Clients.

Risk of Default to Investors

Any default by an investor in advancing capital in respect of its commitments to a Managed Fund could have an adverse impact upon the Managed Fund's ability to complete a transaction and/or could increase the relative exposure of non-defaulting investors to such transactions.

Default of an Investment

Performance and yield on CVC Credit's investments may be affected by the default or perceived credit impairment of investments made by CVC Credit and by general or sector specific credit risk spread widening. Credit risks associated with the investments may include the possibility that the earnings of an obligor may be insufficient to meet the debt service obligations, or an obligor's assets declining in value. An economic downturn and/or rising interest rates could severely disrupt the market for the investments and adversely affect the performance. Any such investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches to the contractual covenants. In the event of a default, CVC Credit and those Clients who hold the investment will bear the risk of loss of principal and accrued interest on that investment.

Currency Risks

Investments in securities or other instruments that are denominated in a currency other than that in which an investment in a Client is made are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Lack of Liquidity of Assets, Valuation

A Client's assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such securities, from values placed on such securities by other investors and from prices at which such securities may ultimately be sold. Securities and other instruments held by Clients may routinely trade with significant bid-ask spreads. At times, third-party pricing information may not be available for certain positions held by a Client. CVC Credit Partners is entitled to rely, without independent investigation, upon pricing information and valuations furnished to CVC Credit Partners by third-parties, including any independent third-party pricing services selected by CVC Credit Partners. In addition, certain cross-transactions and other transactions between Clients managed by CVC Credit Partners, to the extent permitted, are subject to valuation risk.

Liquidity Risk

Certain of the credit investments held by Clients are highly illiquid, and there can be no assurance that Clients will be able to realize these investments in a timely manner. It is unlikely that there will be a public market in certain of the investments held in Client portfolios. Clients generally will not be able to sell securities held in their investment portfolios publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In some cases Clients may be prohibited by contract or regulatory requirements from selling investments for a period of time. In the event of a margin call or other loan repayment at a time when the Client does not have sufficient cash assets to cover such call or payment, it may be forced to liquidate certain investments at less than their expected returns, thereby resulting in lower realized proceeds to Client.

Investments in Companies in Regulated Industries

Certain industries, such as the energy, healthcare, communications, and technology industries, are heavily regulated. Clients may invest in underlying issuers operating in industries that are subject to

greater amounts of regulation than other industries generally. Investments in underlying issuers that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If an underlying issuer fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. An underlying issuer also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such issuer. Governments have considerable discretion in implementing regulations that could impact an issuer's business and governments may be influenced by political considerations and may make decisions that adversely affect an issuer's business. Additionally, certain underlying issuers may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such underlying issuer's activities and labor relations matters to complex laws and regulations relating thereto. An underlying issuer's operations and profitability could suffer if it experiences labor relations problems.

Expedited Transactions

Investment analyses and decisions will often be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of the investment decision may be limited, and CVC Credit may not have access to the detailed information necessary for a more thorough evaluation of the investment opportunity. In addition, the financial information available regarding a potential investment may not be accurate or provided based upon accepted accounting methods. CVC Credit may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

Concentrated Portfolio

Since CVC Credit will, on behalf of its Clients, invest primarily in the credit markets, Client portfolios generally will not be as diversified as other investment vehicles and may end up with relatively fewer investments. In addition, because of the time it may take to source appropriate investments, certain Managed Funds and Managed Accounts will not initially be diversified. One risk of having a limited number of investments is that the aggregate returns realised by investors may be substantially adversely affected by the unfavourable performance of even a single investment. Accordingly, investments may be subject to a more rapid change in value than would be the case if CVC Credit were required, on behalf of its Clients, to maintain a wide diversification among types of securities, geographical areas, issuers and/or industries.

Risks Associated with Hedging Transactions and Derivative Instruments

In connection with the financing of certain investments, CVC Credit may employ hedging techniques on behalf of its Clients designed to reduce the risks of adverse movements in interest rates, securities' prices and/or currency exchange rates. However, even if CVC Credit seeks to hedge certain of these risks, some residual risk to Clients may remain as a result of imperfections and inconsistencies in the market and/or in the hedging contract. While such hedging transactions may reduce certain risks, they may create or magnify others, including, but not limited to, counterparty credit risk and risks associated with the use of derivatives.

There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the position acquired through a derivative instrument primarily for hedging purposes. Failure to properly hedge the market risk in the investments and/or default of a counterparty in the performance of its obligations under a hedging contract could have a material adverse effect on the Client, and such adverse effects may exceed those which may have resulted had no hedging strategy been employed.

Middle-Market Companies

CVC Credit Partners, on behalf of its Clients, invests in the debt obligations or securities of middle-market and/or less well-established companies in both the U.S. and Europe. While middle-market

companies may have the potential for rapid growth, they often involve higher risks than larger companies. Middle-market companies have more limited financial resources than larger companies and may be unable to meet their obligations under their debt obligations, which may be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of Clients realising any guarantees they may have obtained in connection with their investment. Middle-market companies also typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Less publicly available information may be available about these companies, and they may not be subject to the financial and other reporting requirements applicable to public companies. They are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the company and, in turn, on the Client. Middle-market companies may also have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. They may also have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. If these companies are private companies, there will not be as much publicly available information about these companies as there is for public companies and such information may not be of the same quality. CVC Credit Partners European and US mid-market strategy Managed Funds and Managed Accounts will generally focus on debt investments in middle-market companies. CVC Credit Partners may determine whether companies are US or European-based or qualify as ("Middle-Market") in its sole discretion, subject to the terms of the relevant governing documents.

Follow-On Investments

Following an initial investment, CVC Credit may provide additional Client funds to the company. There is no assurance that CVC Credit will make follow-on investments or that Clients will have sufficient funds to make all or any of such investments. Any decision by CVC Credit not to make follow-on investments or its inability to make such investments may have a substantial adverse effect on the borrower in need of such an investment. Additionally, a failure to make such investments may result in a lost opportunity for a Client to increase its participation in a successful investments or result in the dilution of ownership in an investment if a third party makes the follow-on investment.

Exposure to Originated Investments

From time to time, certain of CVC Credit Partners Clients will originate certain investments with the expectation of later syndicating a portion of such investment to other affiliated funds or third parties. Prior to such syndication, or if such syndication is not successful, such Client's exposure to the originated investment will likely exceed the exposure that CVC Credit Partners intends for its Client to have over the long-term.

Special Situations

CVC Credit Partners may, on behalf of certain Clients, invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in workouts, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity of this nature, there exists the risk that the contemplated transaction will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security whose value will be less than the purchase price. Similarly, if an anticipated transaction does not in fact occur, the Client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which CVC Credit Partners may invest, there is a potential risk of loss by the Client of its entire investment in such companies.

Investments in Non-Performing Loans

Certain of CVC Credit Partner's investments are expected to include investments in non-performing and sub-performing loans which often involve workout negotiations, restructuring and the possibility of foreclosure. These processes are often lengthy and expensive. In addition, investments will likely include securities and debt obligations of financially distressed issuers, including companies involved in bankruptcy or other reorganization and liquidation proceedings. As a result, certain of CVC Credit

Partner's Clients may be subject to additional bankruptcy related risks and returns on such investments may not be realized for a considerable period of time.

Registration under the U.S. Commodity Exchange Act

Registration with the U.S. Commodity Futures Trading Commission (the "CFTC") as a "commodity pool operator" or any change in a Managed Fund's, its general partner's or other CVC operations (including, without limitation, any change that causes CVC or its principals to be subject to certain specified covered statutory disqualifications) necessary to maintain CVC's ability to rely upon an exemption from registration could adversely affect a Managed Fund's ability to implement its investment program, conduct its operations and/or achieve its objectives and subject a Managed Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by CVC to cease or to limit holding or investing in interests which may be treated as "commodity interests" in order to comply with the regulations of the CFTC may have a material adverse effect on a Managed Fund's ability to implement its investment objectives and to hedge risks associated with its operations.

High-Yield Securities

CVC Credit may, on behalf of its Clients, invest in bonds or other fixed income securities, including without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities, when CVC Credit believes that such securities offer opportunities for profit. These securities may be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of certain of these lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities. It is likely that a major economic recession or an environment characterized by a shortage of liquidity could severely disrupt the market for these securities and may have an adverse impact on their value or liquidity. Moreover, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of these securities to repay principal and pay interest thereon and increase the incidence of default for these securities. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of lower-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold.

Distressed Assets

CVC Credit Partners may on behalf of its Clients invest in "distressed assets" securities, private claims and obligations of entities that are experiencing significant financial or business difficulties or have filed for Chapter 11 protection under the U.S. Bankruptcy Code. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded.

Distressed assets may result in significant returns to Clients, but also involve a substantial degree of risk. A Client may lose a substantial portion or all of an investment in a distressed environment or may be required to accept cash or securities with a value less than the Client's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of these issuers. These investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of these instruments are also subject to abrupt and erratic market movements and above average price volatility and the spread between the bid and ask prices of these instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses.

Mezzanine Investments

Certain Clients may make mezzanine investments, which investments are expected to be unsecured and made in companies whose capital structures have significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. While the investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the issuer's assets, some or all of such terms may not be part of particular investments. Moreover, the ability of a Client to influence such an issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Mezzanine investments generally are subject to various risks, including, without limitation: the possible invalidation of an investment transaction as a "fraudulent conveyance," (ii) the recovery of liens perfected or payments made on account of a debt in the period before an insolvency filing as a "preference," (iii) equitable subordination claims by other creditors, (iv) so called "lender liability" claims by an issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations.

Equity and Equity-Like Investments

Certain CVC Credit Partners Clients may invest in preferred equity interests, convertible securities, warrants and otherwise in securities that have equity-like features and may otherwise end up owning equity securities as part of making or owning a debt instrument (e.g., in the case of foreclosure). Any equity interest owned by the Clients will generally rank junior to all existing and future indebtedness, including commercial mezzanine loans and senior debt. In the event of a bankruptcy, liquidation, reorganization or other winding-up with respect to an issuer in which the Client holds an equity interest, the Client will bear a risk of loss principal as such interests are not generally secured.

Convertible Securities

CVC Credit Partners, on behalf of its Clients, may invest in convertible securities, which are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

Credit Derivatives

CVC Credit Partners may, on behalf of its Clients, engage in trading in credit derivative contracts, which are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another, both for bona fide hedging of existing long and short positions, but also for independent profit opportunities. Such instruments may include one or more credits. The market for credit derivatives may be relatively illiquid, and there are considerable risks that may make it difficult either to buy or sell the contracts as needed or at reasonable prices. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the contract and whether the payment will offset the loss or payment due under another instrument. Generally, a credit event means bankruptcy, a failure to pay, the acceleration of an obligation or modified restructuring of a credit obligation or instrument.

CVC Credit Partners may, on behalf of its Clients, be either the buyer or seller in these transactions. If CVC Credit Partners is a buyer of credit protection on behalf of its Clients and no credit event occurs, the Client may recover nothing. If a credit event occurs, the Client, as a buyer, typically will receive full notional value for a reference obligation that may have little or no value. Buyers of credit derivatives carry the risk of non-performance by the seller due to an inability to pay.

As a seller of credit protection, a Client would typically receive a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event

occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligations. Sellers of credit derivatives carry the inherent price, spread and default risks of the underlying instruments.

Credit default swaps involve greater risks than if the Client had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. A buyer of credit protection also may lose its investment and recover nothing if no credit event occurs. If a credit event does occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Client. Further, in certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if such deliverable security is unavailable or illiquid. Such a delivery crunch is a distinct risk of these investments.

The credit derivatives market is a rapidly evolving market. As a result, different participants in the credit derivatives markets may have different practices or interpretations with respect to applicable terms and definitions, and ambiguities concerning such terms or definitions may be interpreted or resolved in ways that are adverse to Clients. Additionally, there may be circumstances and market conditions (including the possibility of a large number of buyers of credit default swaps being required to deliver the same physical security in the same time frame) that have not yet been experienced and that could have adverse effects on a Client's investments.

Short Sales

CVC Credit Partners may, on behalf of its Clients, engage in short sales of securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a Client's portfolio. A short sale involves the risk of sudden and substantial losses (for example in the case of an acquisition proposal at a substantial premium over an issuer's market price), losses in an amount greater than the amount invested, and a theoretically unlimited risk of loss based on an unlimited potential increase in the market price of the particular investment sold short. These risks could in turn result in an inability to cover the short position, and CVC Credit Partners may be unable to cover short positions on a timely basis for other reasons, including the possibility that CVC Credit Partners will be prohibited from trading a security because it has material nonpublic information about the issuer or is otherwise subject to regulatory or operational impediments to trading. There is also a risk that a Client would be forced to return the securities it borrows in connection with a short sale, to the securities lender on short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a short squeeze can occur, and a Client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Investment Litigation Risk

Financial performance of underlying issuers in which CVC Credit has invested may be affected from time to time by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of a Client's investments. CVC Credit's investment activities subject it, and Clients, to the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where CVC Credit exercises control or significant influence over a company's direction.

Participation on Creditors' Committees

CVC Credit, on behalf of its Clients may elect to appoint a representative to serve on creditors' committees, official or unofficial, equity holders' committees or other groups (in addition to boards of directors) to ensure preservation or enhancement of the investment as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If CVC Credit concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to its Clients, it may resign from that committee or group, and the Clients may not realise the benefits, if any, of participation on the

committee or group. In addition, and also as discussed above, if a Client is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such underlying issuer while it continues to be represented on such committee or group and potentially thereafter.

Structured Products

CVC Credit Partners may invest in structured products, including CLOs and other pools of loans. The Client's investments in structured products will be subject to a number of risks, including risks related to the fact that the structured products will be leveraged. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product and potentially a complete loss of the investment. In addition, if the particular structured product is invested in a security in which the Client is also directly invested, this would tend to increase the Client's overall exposure to the credit of the issuer of such securities. The value of an investment in a structured product will depend on the investment performance of the underlying assets or interests in which the structured product invests and will, therefore, be subject to all of the risks associated with an investment in those underlying assets or interests. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors under applicable law. Any such structured products may include one or more underlying issuers in which one or more of CVC Credit's Clients have acquire an interest, including CVC Capital Portfolio Companies. In addition, in the case where the Client is invested in structured products, the diversification limitations set forth in the Client Agreements will be applied separately to each underlying issuer and/or borrower comprising such structured product. This may result in an unintended concentration of the Client's investments in a limited number of issuers.

CLOs

Certain of CVC Credit Partner's Clients may have investment strategies permissive of investments in CLO notes. Generally, CLO notes will have limited liquidity and are subject to substantial transfer restrictions. CLO notes are often illiquid investments and there is no established secondary market for the notes. There can be no assurance that any secondary market for any of the notes will develop, or if a secondary market does develop. Securities issued in securitizations transactions may experience high volatility and significant fluctuations in market value. Additionally, some potential buyers of such securities may view securitization products as an inappropriate investment or may be unable to invest in them due to regulatory reasons (EU and Japanese securitization rules), thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market.

9. Disciplinary Information

Neither CVC Credit nor its management personnel have been involved in or are the subject of any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of CVC Credit's advisory business or the integrity of CVC Credit or its management personnel.

10. Other Financial Industry Activities and Affiliations

Related Persons

Relying Investment Advisers

CVC Credit Partners Investment Management Limited is a Relying Adviser of CVC Credit Partners, LLC and is authorized and regulated by the U.K. Financial Conduct Authority. CVC Credit Partners Investment Management Limited is also registered as foreign company with the Australian Securities and Investments Commission.

CVC Credit Partners European Investment Fund Manager Limited is also a Relying Adviser of CVC Credit Partners, LLC and is authorized and regulated by the Jersey Financial Services Commission.

A single Executive Committee oversees the operations of CVC Credit. In addition, certain senior CVC Credit personnel are members of CVC Credit UK investment committees, and vice versa, and certain investment committees are joint, comprised of representatives from CVC Credit Partners, LLC and CVC Credit UK senior investment personnel.

CVC Credit UK and CVC Credit Partners European Investment Fund Manager Limited are subject to the global CVC Code of Ethics (see Item 11 below) and their personnel are Access Persons of CVC Credit Partners, LLC. CVC Credit UK, CVC Credit Partners European Investment Fund Manager Limited and their personnel are subject to CVC Credit Partners, LLC's regulatory oversight and its compliance policies and procedures, including those addressing books and records maintenance.

CVC Credit UK manages CLOs, Managed Funds and Managed Accounts. CVC Credit UK Clients focus primarily on European investment opportunities. Nonetheless, Clients of CVC Credit Partners, LLC and CVC Credit UK invest in substantially similar assets classes and may, in some instances, invest in the same instruments. In an effort to mitigate potential conflicts of interest, CVC Credit follows the procedures described below in Item 10 for the allocation of investments that are suitable for both CVC Credit Partners, LLC and CVC Credit UK Clients.

CVC Credit CLO Management

Two separate investment advisers, CVC Credit Partners U.S. CLO Management LLC in the U.S. and CVC Credit Partners European CLO Management, LLP in the U.K. are part of CVC Credit Partners and under common control with CVC Credit Partners. Both of these entities have their own distinct set of employees and their own investment committee and investment process. CVC Credit CLO Management manages CLOs focused on investing in the U.S. and Europe. While each manager maintains its own compliance program, certain policies and practices (outside of the investment process) are similar and aggregated across all CVC Credit Partners' investment management entities. Certain supervised persons of CVC Credit Partners are employees of CVC Credit CLO Management, and act on behalf of CVC Credit Partners pursuant to personnel sharing agreement.

Commodity Pool Operators and Commodity Trading Advisors

Because certain Managed Funds and Managed Accounts may have the ability to invest in commodity interests, CVC Credit Partners may be subject to regulation under the Commodity Exchange Act and the regulations of the U.S. Commodity Futures and Trading Commission ("CFTC") as a commodity pool operator or commodity trading adviser with respect to the services it provides to these Managed Funds and Managed Accounts. However, because CVC Credit Partner's Managed Funds and Managed Accounts limit trading in commodity investments, are not offered to U.S. investors, make limited use of U.S. markets, and/or because interest in the Managed Funds and Managed Accounts are offered and sold without marketing to the public in the U.S., CVC Credit Partners is exempt from registration as a commodity pool operator or commodity trading adviser with respect to these Managed Funds and Managed Accounts pursuant to applicable CFTC regulations.

Pooled Investment Vehicles

CVC Credit, its related persons and other entities within the CVC business serve as sponsors or general partners of pooled investment vehicles including, but not limited to, collateralized debt obligations and private funds.

CVC Credit Partners European Opportunities Limited

CVC Credit Partners Income & Growth Limited ("CCPIGL") is a closed-ended investment company limited by shares, registered and incorporated in Jersey under the Companies Law on 20 March 2013, with registration number 112635. CCPIGL is subject to, and required to comply with, certain regulatory requirements that are applicable to closed-ended investment companies which are domiciled in Jersey including compliance with any decision of the Jersey Financial Services Commission ("JFSC"). In addition, CCPIGL is subject to the continuing obligations imposed by the UK Listing Authority and the London Stock Exchange on all investment companies whose shares are admitted to the Official List and to trading on the Main Market. CCPIGL is self-managed with the board of its directors making all

management decisions (including overseeing CCPIGL's investment policy and investment strategy) on a majority basis.

CVC Credit Partners Investment Services Management Limited

CVC Credit Partners Investment Services Management Limited ("CVC Investment Services") is party to a Trade Mark Licence Agreement with CCPIGL pursuant to which CCPIGL licenses the use of the marks "CVC" and "CVC Credit Partners" from CVC Investment Services. Separately, CCPIGL has appointed CVC Credit Partners Investment Management Limited to provide marketing and financial intermediary services to CCPIGL pursuant to a corporate services and support agreement dated 29 March 2019 in exchange for CVC Credit Partners Investment Management Limited charging a fee calculated as the aggregate cost incurred by CVC Credit Partners Investment Management Limited in providing the relevant services, and allocating to CCPIGL the relevant proportion of that overall cost incurred by CVC Credit Partners Investment Management Limited, as agreed by CVC Credit Partners Investment Management Limited and CCPIGL from time to time.

Affiliated Broker- Dealer

As part of the continued development of the CVC platform, CVC has established a new business ("CVC Capital Markets"), a European broker-dealer that primarily conducts certain capital markets activities using its own balance sheet capital, and CVC Funding, LLC a U.S. registered broker-dealer and wholly-owned subsidiary of CVC Credit Partners, LLC ("CVC Funding", and together with CVC Capital Markets, "Affiliated Brokers"). Affiliated Brokers may, directly or through related lending vehicles, participate in underwriting syndicates and/or selling groups with respect to securities, loans, or other instruments issued by borrowers or other companies in which CVC Credit Clients have a financial interest ("CVC Portfolio Companies"), and provide capital markets and credit advisory services, acquisition financing, and other forms of advice and financing to Clients and/or CVC Portfolio Companies (together, "Affiliated Broker Activities"). The Affiliated Broker Activities may relate to securities, loans, and other instruments issued by a CVC Portfolio Company that are senior or junior in the capital structure to, or that otherwise afford different rights than, those held by Clients, including commitments to engage in such transactions in the future. Subject to applicable law, Affiliated Brokers may receive arm's length underwriting, placement, syndication and transaction fees and other compensation from a CVC Portfolio Company or intermediate holding vehicle of a Client for Affiliated Broker Activities, which may be retained by the Affiliated Brokers without any reduction of, or offset against, the management fee payable by the Client. Subject to applicable law, Affiliated Brokers may also receive underwriting, placement, syndication and transaction fees, and other compensation, for transactions and services provided to companies that are not CVC Portfolio Companies, which compensation generally will not be shared with or reimbursed to Clients. Affiliated Brokers may also engage in transactions or provide advisory services to companies that are not CVC Portfolio Companies or otherwise affiliated with CVC, including with respect to transactions that would be an appropriate investment for a CVC Credit Client.

Certain conflicts of interest in connection with Affiliated Broker Activities may arise, in particular in respect of any CVC Portfolio Companies or intermediate holding vehicles with respect to which an Affiliated Broker provides services. For example, CVC may be seen as incentivized to: (i) seek to influence the decision by a CVC Portfolio Company's management to retain or otherwise transact with an Affiliated Broker instead of other third parties that may be more appropriate or offer better terms, but who are unaffiliated with CVC; (ii) structure CVC Portfolio Company transactions so that they require the use of an Affiliated Broker; or (iii) negotiate attractive fees or compensation for an Affiliated Broker.

Conflicts could further arise where CVC may be incentivized to underwrite and/or syndicate securities as a result of the fees that could be earned from an Affiliated Broker underwriting the financing of an investment. Moreover, in situations where an Affiliated Broker, as a result of Affiliated Broker Activities, holds a position in a portfolio company in which a Client invests (including as a result of a shortfall arising as a result of an incomplete or failed syndication), the arrangement may lead to a conflict between an Affiliated Broker and the Client in the event of a default by, or the liquidation of, the portfolio company or a restructuring or renegotiation of the terms of a loan or other relevant securities.

In certain circumstances, including by way of an example, where a CVC Portfolio Company becomes distressed and the participants in the relevant offering have a valid claim against the underwriter, the Client may have a conflict in determining whether to seek recourse or sue an Affiliated Broker. CVC may also in certain cases have incentives to not bring similar claims against, or otherwise to favor,

unaffiliated broker-dealers with whom an Affiliated Broker has a material business relationship. While such potential conflicts cannot be excluded, an Affiliated Broker will generally seek to provide such underwriting activities as part of an underwriting syndicate where an Affiliated Broker would exercise any voting or other rights relating to a portfolio company in line with the voting and exercise of corresponding rights held by other non-CVC affiliated members of such syndicate, with any fees charged in connection with its services being charged on a consistent basis with other non-CVC affiliated entities providing similar services as part of such syndicate.

An Affiliated Broker may in the future also engage in similar activities with respect to companies that are not CVC Portfolio Companies or otherwise affiliated with CVC, including with respect to transactions that would be an appropriate investment for Clients. Other potential conflicts of interest include the possibility that the participation of a Client in certain circumstances may be limited or prohibited due to tax law or regulatory constraints or may be more expensive or impractical due to other conflicts arising from the Affiliated Broker's role in such transaction. Also, where an Affiliated Broker provides services to unaffiliated entities, the Affiliated Broker may have access to investment opportunities that are suitable for Clients. However, in these cases, the Affiliated Broker will have no obligation to make an investment opportunity available to Clients, and in some cases may be precluded from making such an opportunity available to Clients.

CVC may also, on behalf of a Client, effect transactions where an Affiliated Broker is acting as a broker on the other side of the same transaction. The Affiliated Broker may retain commissions or other compensation earned in such transactions. CVC will approve any such transaction on behalf of a Client only where the Investment Manager believes in good faith that the transaction is appropriate for the Account and consistent with applicable law.

CVC seeks to mitigate conflicts associated with Affiliated Brokers through conflicts of interest policies and procedures that impose certain controls on transactions involving Affiliated Brokers, as may be updated and amended from time to time without notice to Clients (to the maximum extent not prohibited by applicable law).

CVC Funding also acts as distributor and/or placement agent for private funds managed by or otherwise affiliated with CVC Credit Partners, LLC, CVC Capital Partners, Glendower and co-investment opportunities related to these funds. From time to time, clients of CVC may be solicited to invest in private funds managed by or otherwise affiliated with CVC Capital Partners, and clients of CVC Capital Partners may be solicited to invest in private funds managed by or otherwise affiliated with CVC. CVC Funding receives compensation from CVC Credit or CVC, as applicable, in connection with such solicitation activities, but does not presently earn commissions or other transaction-based compensation from third parties for these activities.

CVC Group

Private Equity Business

CVC Advisory (U.S.), Inc. ("CVC US") is an SEC-registered investment adviser and is a wholly-owned by CVC Advisers (Luxembourg) Sàrl ("CVC Advisers Luxembourg"), which is principally held, through various intermediate subsidiaries, by CVC Capital Partners Advisory Group Holding Foundation, a foundation incorporated under the laws of Jersey, Channel Islands.

CVC Advisers Jersey Limited ("CVC Advisers Jersey")¹ is a limited company incorporated in Jersey, Channel Islands. CVC Advisers Jersey acts as investment adviser to certain CVC private equity funds (each, a "CVC Capital Fund" or "CVC Fund" or "Fund"). Local CVC-affiliated sub-advisers organized in Europe, Asia and the Americas (including CVC U.S.) make investment recommendations to CVC Advisers Jersey investment committees and cost approval committees.

CVC's private equity business is primarily engaged in advising and managing private equity funds that generally acquire controlling or significant minority interests in European, North American and Asian businesses. CVC's global private equity platform includes investment professionals across 24

¹ CVC Advisers Jersey has filed with the SEC as an exempt reporting adviser.

countries in Europe, the Americas and the Asia-Pacific region. CVC and its predecessors have operated as an independent investment advisory business since 1993.

From time to time, CVC may pay compensation under a shared services agreement or through other means to personnel of CVC Capital Partners to provide certain investor relations services to Clients that are invested in CVC Capital Partners products, and to investment personnel of CVC Capital Partners for introducing or facilitating the completion of deals.

Glendower

A strategic partnership with Glendower Capital was established in January 2022 to provide dedicated investment and liquidity solutions for secondary private markets through Glendower's established fund portfolio and GP-led secondary private equity strategies. Glendower fund general partners that are formed following the date of the strategic partnership will be affiliates of Glendower Capital (U.S.), LLC, Glendower Capital, LLP (together, the "CVC Secondaries Group") and the broader CVC Group and the entities comprising the CVC Secondaries Group are the primary investment advisers to a number of existing CVC Capital-managed secondaries funds.

While CVC Capital is the majority equity owner of the CVC Secondaries Group, the senior management team of the CVC Secondaries Group exercises independent authority over (i) the day-to-day operations of the CVC Secondaries Group and (ii) the investment activities of the CVC Secondaries Funds, without involvement from the broader CVC Group.

CVC Capital Markets

As discussed above, CVC Capital has established CVC Capital Markets to conduct certain capital markets activities using its own balance sheet capital, including acting as underwriter and/or investing as principal on arm's length terms in any offering or placement of debt and/or equity securities, loans or instruments issued by portfolio companies or intermediate holding vehicles of CVC Capital Funds.

DIF Capital Partners

In September 2023, CVC Capital announced the agreed acquisition of a majority shareholding in the top holding company of the DIF Capital Partners group, a leading infrastructure manager. Completion of the acquisition is currently expected to take place in H1 2024 subject to regulatory approval.

Managing Conflicts of Interest

With respect to actual and potential conflicts of interest, CVC Credit's determination as to which factors are relevant, and the resolution of such conflicts, will be made using CVC Credit's best judgment, but in its sole discretion. In resolving conflicts, CVC Credit considers various factors, including the interests of the applicable Clients with respect to the immediate issue and/or with respect to their longer-term courses of dealing. When conflicts arise, CVC Credit will seek to mitigate, but will not always be able to eliminate, conflicts of interest. There can be no assurance that a conflict will necessarily be resolved in a particular Client's favor. Material conflicts that cannot be eliminated will be disclosed to all affected Clients.

CVC Credit's Conflicts Committee

In the ordinary course of business, CVC Credit may engage in activities, investments, transactions, or business that give rise to potential conflicts of interest. Accordingly, CVC Credit has adopted a Conflicts Mitigation Policy (the "Conflicts Policy"), designed to help CVC Credit identify and mitigate any potential conflicts of interest which may arise from investment or other activities. CVC Credit has also established a CVC Credit Conflicts Committee ("Conflicts Committee") comprised of the Firm's Senior Management, and also includes the Head of Legal and Chief Compliance Officer ("CCO"). The Conflicts Committee is responsible for the review of any new potential and existing material conflicts of interest that may arise as part of the Firm's ordinary course of business and meets periodically. The Conflicts Committee is also responsible for the review and approval of conflicts mitigating policies and procedures as well as material changes to conflicts disclosure. The below list is a comprehensive but not exhaustive list of conflicts that CVC Credit has encountered or may encounter in the future. Although CVC Credit has

adopted policies and procedures designed to mitigate any conflicts or potential conflicts of interest. There can be no assurance that CVC Credit will resolve any conflict in a manner that is favorable to all Clients or to any particular Client.

Investments in CVC Capital Portfolio Companies by CVC Credit Clients

Any decision to purchase a primary credit investment or the initial purchase of a secondary credit investment in a company in which a CVC Capital Partners Fund has board representation, holds more than 25% of the share capital, or holds an economic interest as determined under CVC Credit's policies in effect from time to time (each such company a "CVC Capital Portfolio Company") shall be reviewed by the Conflicts Committee. In instances where such purchase would result in CVC Credit holding 10% or more of the relevant investment tranche or class across all of its Clients, the investment will require approval from the Conflicts Committee.

Material Corporate Actions (i.e., amendments, re-leveraging, covenant waivers, or any restructuring) of a CVC Capital Portfolio Company will be reviewed by the CCO, and notice will be provided to the Conflicts Committee. Corporate Actions relating to CVC Capital Portfolio Companies in which CVC Credit debt holding represents more than 10% of the relevant voting class will require approval by the Conflicts Committee.

Additionally, CVC Credit Clients may in certain circumstances be provided preferential opportunities to provide financing to portfolio companies of the private equity funds managed by CVC Capital before other sources of financing are considered. Where CVC Credit Clients provide financing to portfolio companies of the private equity funds managed by CVC Capital, the CVC Credit Clients will typically provide financing on arm's length terms no more or less favorable than the terms on which other similarly situated lenders participate.

Investments in Affiliated Entities by CVC Credit Clients

CVC Credit will also cause certain CVC Credit Clients to invest in CLOs and securitization vehicles managed by CVC Credit or one of its affiliates. These investments introduce potential conflicts of interest because they may cause a CVC Credit Client to bear more expenses than it would if it had conducted such activities directly. Additionally, CVC will be paid through these CLOs with respect to the Client's capital invested therein in addition to the fees, expenses and costs paid by the Client, which will result in the payment of two layers of fees to CVC Credit and/or its affiliates. These investments also benefit CVC Credit and/or its affiliates by providing such CLOs and securitization vehicles a larger, more stable capital base. This arrangement may incentivize CVC Credit to invest more of the Client's capital into CLOs that are managed by CVC than would otherwise be the case. Additionally, the indemnification or other contractual provisions between CVC Credit and any such CLO and securitization vehicle may be more favorable to CVC Credit than the indemnification provisions applicable to the investing Client. CVC Credit will also at times acquire material non-public information regarding CLOs and securitization vehicles managed by CVC Credit or one of its affiliates, and may acquire material non-public information about a material portion of the investments held by a CLO or securitization vehicle managed by CVC Credit or one of its affiliates, which may limit CVC Credit's ability to buy or sell interests in these vehicles, and this in turn may limit the investment opportunities or exit strategies available to a Client.

CVC Credit Restricted Lists

Private Credit is generally subject to a restricted list that is shared with CVC Capital Partners and includes restricted issuers of Performing Credit, and to which Clients of Private Credit are subject. Consequently, Private Credit may not be able to buy or sell a particular security or other instrument on behalf of its Clients because one or more personnel or investment teams of Performing Credit or CVC Capital Partners possesses confidential and/or material, non-public information concerning the issuer or the market for the issuer's securities or other instruments, and vice versa. Similarly, in such circumstances, Private Credit may not be able to dispose of a security or other instrument owned by a Client, even in a declining market, until the information becomes publicly available or immaterial and the trading in the issuer's securities or instruments is no longer restricted.

Separation among Performing Credit, Private Credit, Glendower and CVC Capital Partners

Private Credit, Performing Credit, Glendower and CVC Capital Partners, on behalf of their respective advisory clients, may make direct or indirect investments in the same or different parts of the capital structure of the same company, in which case certain conflicts of interest, or the appearance of conflicts of interest, may arise. Such conflicts (or appearances thereof) are mitigated by the CVC Credit, Glendower and CVC Capital Partners governance structures, and by information barrier and conflict mitigation policies designed to ensure that the divisions each engage in independent decision-making. For example, CVC Credit, Glendower and CVC Capital Partners generally maintain separate investment committees and operating boards, although individuals may from time to time be management persons and/or members of an investment committee of multiple firms ("Dual Officers"). Our policies seek to identify and mitigate potential conflicts arising from these roles by requiring the recusal of Dual Officers from investment decisions regarding positions that introduce potential conflicts with positions held by clients of the other firm. Additionally, CVC's information barrier policies are designed to ensure that Dual Officers do not transmit nonpublic information among Glendower, CVC Credit and CVC Capital Partners, or among divisions thereof, without appropriate controls.

Information Barrier

As discussed in Item 8, CVC maintains information barriers and has adopted relevant policies and procedures for the proper handling of issuer-specific confidential information to prevent violation of laws and regulations prohibiting the misuse of such information and to avoid situations which might create the appearance of such misuse. The purpose of these information barriers is, among other things, to isolate confidential, material, non-public information held by Private Credit, Glendower and CVC Capital Partners from Performing Credit, such that the investment activities of Performing Credit are not restricted because Private Credit, Glendower and/or CVC Capital Partners may have material, non-public information that would be imputed to Performing Credit in the absence of an information barrier. The information barrier procedures also limit certain interactions among the personnel of each of Performing Credit, Private Credit, Glendower and CVC Capital Partners, and establish appropriate procedural protections and compliance oversight of permitted communications. CVC's compliance teams are responsible for monitoring the information barriers established by CVC, administering the information sharing policies and procedures, and overseeing potential conflicts of interest.

Cross Trades and Principal Transactions

From time to time, CVC Credit may execute or recommend transactions in which one Client sells securities or other instruments to another Client without the involvement of a broker (a "cross trade"). CVC Credit may also recommend transactions in which one Client that is deemed to be more than 25% owned by CVC Credit or certain affiliated entities (a "principal account") buys securities or other instruments from, or sells securities or other instruments to, another Client without the involvement of a broker (a "principal transaction"). Cross trades present potential conflicts of interest. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value (*i.e.*, if the trade was not executed in the open market). Additionally, there is a potential conflict of interest when a cross trade involves a Client account on one side of the transaction and a principal account, or an account in which CVC Credit receives a higher management fee on the other side of the transaction. To address these potential conflicts, CVC Credit maintains cross trade and principal transaction policies and procedures that are compliant with the requirements of Section 206(3) of the Advisers Act. Any cross trade or principal transaction will be effected in accordance with CVC Credit's cross trade and principal transaction policies and procedures, which require compliance approval before the transaction may proceed and are designed to ensure that the transaction is in the best interest of each involved Client, is consistent with CVC Credit's duty to seek best execution, and is executed at a fair price as determined in accordance with the pricing protocols specified in the abovementioned policies and procedures. CVC Credit will maintain documentation of the rationale for each transaction and the determination of pricing. In connection with principal transactions, CVC Credit will also disclose to the relevant Client(s) that the proposed transaction involves a principal account and obtain the necessary consent from the Client or from an independent party authorized by the Client to provide such consent on its behalf prior to the transaction being affected.

Capital Stacking and Opposite Way Trading

CVC Credit Clients may invest in different loan investments or securities issued by the same company. In some circumstances, the interests of Clients that invest in a company may not be aligned with the interests of other Clients that invest in a different loan investment or security issued by the same company, which could create actual or potential conflicts of interest or the appearance of such conflicts. In that regard, certain actions may be taken by CVC Credit on behalf of a Client that are adverse to the interests of other Clients. The interests of Clients investing in different parts of the capital structure of a company are particularly likely to conflict in the case of financial distress of the company, such as an enforcement of credit rights or bankruptcy proceedings. This may result in a loss or substantial dilution of one Client's investment, while another Client receives a full or partial recovery on its investment. While the possibility of conflicts in such circumstances can never be fully mitigated, prior to making any new investment in a company on behalf of a Client, CVC Credit will consider whether the interests of other Clients invested in the capital structure of the company may impair its ability to act in the best interest of the Client. When CVC Credit is required to take action with respect to a security or loan investment held by a Client, it is typically CVC Credit's policy to act in the best interest of the holder of the investment with respect to which action is being taken, even though such actions may be to the detriment of other Clients invested in the company's capital structure.

CVC Credit may take a long position in an issuer for one Client while concurrently taking a short position in the security or loan facility of the same issuer for a different Client. To mitigate the potential conflicts associated with opposite way trading, the portfolio manager must assess the conflict (and confirm that the opposite way position is the result of a distinct and independent investment thesis) and if deemed necessary raise the conflict with Compliance and in certain cases, the Conflicts Committee.

Proxy Voting

When a corporate action involves a CVC Capital Portfolio Company, the CCO, or their designee, in consultation with the relevant Portfolio Manager determines whether a potential conflict of interest is present. If it is determined that a potential conflict of interest is present, notice of the proxy and the potential conflict is provided to the Conflicts Committee, which may assist in determining how the proxy should be voted. In all cases where a Portfolio Company Proxy is (a) with respect to a debt holding that represents more than 10% of the relevant voting class across all Clients, or (b) reasonably likely, in the view of the Portfolio Manager, to result in the Clients' positions experiencing a loss of invested capital on the relevant security, approval of the Conflicts Committee is required.

CVC Credit also considers whether a proxy or corporate action which does not involve a CVC Capital Portfolio Company raises any conflicts of interest prior to voting the proxy. For equity proxies, CVC Credit's CCO, or a member of CVC Credit's compliance team, reviews each proxy with the relevant Portfolio Manager(s) as part of the conflicts assessment prior to voting, and refers any proxies raising potential conflicts of interest to the Conflicts Committee, which reviews and potentially may recommend as to how the proxy should be voted. For corporate actions, the Portfolio Manager, together with CVC Credit's operations team assesses whether an action presents potential conflicts and notifies CVC Credit's compliance team of any potential concerns. CVC Credit's compliance team refers any proxies determined to raise potential conflicts of interest to the Conflicts Committee, which reviews and potentially recommends how CVC Credit should act on the corporate action.

Investment Allocation

In an effort to mitigate conflicts of interest related to side-by-side management of Client accounts with different fee structures, CVC Credit has established an investment allocation policy, which applies to all Clients and which seeks to allocate investments among Clients in a fair and equitable manner over time. By this method, CVC Credit undertakes to ensure that all Clients receive appropriate and individualized treatment based on the needs of a given Client at a given time. This policy is designed to ensure that, in allocating investment opportunities, no Client may or will be favored over another based on the Client's identity or affiliation, account performance, fee structure, or similar attributes not related to investment factors or restrictions. Each of CVC Credit's portfolio managers has responsibility for designated Clients and is responsible for determining that Client's appropriate participation in the allocation by considering any relevant investment criteria. Such criteria include, without limitation, investment objectives, available capital, the timing of capital inflows and outflows, applicable

concentration limits, portfolio diversification, availability of alternative investments and the overall risk profile of a Client.

Board Membership

In furtherance of CVC Credit's advisory business, CVC Credit personnel may serve on the boards of directors or on creditor committees of companies whose instruments are held by certain Clients. Serving in this capacity may give rise to conflicts to the extent that such personnel's fiduciary duties to a company as a director may conflict with the interests of a Client. CVC Credit personnel are required to notify Compliance before accepting any such position, as discussed in Item 11 below. Additionally, CVC Credit evaluates any potential conflicts of interest that may arise in connection with such board service on an ongoing basis and in consultation with Compliance as appropriate.

Investment in CVC Capital Funds

As discussed above, CVC Funding, a broker-dealer and wholly-owned subsidiary of CVC Credit, acts as distributor and/or placement agent for private funds managed by or otherwise affiliated with CVC Credit and CVC Capital. From time to time, underlying investors in Clients of CVC Credit may be solicited to invest in private funds managed by or otherwise affiliated with CVC Capital, and clients of CVC Capital may be solicited to invest in private funds managed by or otherwise affiliated with CVC Credit. CVC Funding receives compensation from CVC Credit or CVC Capital, as applicable, in connection with such solicitation activities. In addition, from time to time, CVC Credit may pay compensation under a shared services agreement or through other means to personnel of CVC Capital to provide certain investor relations services to Clients of CVC Credit that are invested in CVC Capital products, and to investment personnel of CVC Capital for introducing or facilitating the completion of deals. As noted above, CVC maintains information barriers to prevent inadvertent dissemination of material, non-public information among CVC Capital, Glendower and the Private Credit and Performing Credit divisions of CVC Credit, except as expressly provided for in the information barrier procedures and subject to appropriate procedural oversight.

To help identify unknown conflicts of interest, CVC Credit personnel are encouraged to discuss any perceived risks or concerns about CVC Credit's business practices with their direct supervisor or members of CVC Credit's Legal and Compliance teams.

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

CVC Credit is subject to CVC's Global Code of Ethics (the "Code"). The Code expresses CVC's operating principles of integrity, honesty and the fiduciary duties owed to Clients. The Code sets forth a standard of business conduct that is expected of all CVC directors, officers, partners and employees ("CVC Persons"). CVC Credit has also adopted policies and procedures ("Personal Securities Transaction Policy") that CVC Persons must follow to prevent activities that may lead to or give the appearance of conflicts of interest, insider trading, and other forms of unethical behavior. All CVC Credit personnel are CVC Persons subject to the Code and the Personal Securities Transaction Policy.

The Personal Securities Transaction Policy requires CVC Persons to report accounts in which they, or their immediate family members or other family members living in their household, have a beneficial interest within ten (10) days of joining CVC Credit or within ten (10) days of opening the account if already an employee of CVC Credit. On a quarterly basis, CVC persons must also report securities transactions in accounts in which they, or their immediate family members or other family members living in their household, have a beneficial interest. CVC Persons must also report any newly opened accounts on an ongoing basis. Additionally, CVC Persons must certify annually in writing to their holdings and existing accounts, as well as their compliance with the terms of the Code, the Personal Securities Transaction Policy, and other key policies and procedures. The Code also requires CVC Persons to receive pre-clearance before making certain purchases or sales (investments and redemptions), which includes, but is not limited to securities, IPOs and private investments.

CVC Persons are prohibited from executing any personal securities transactions of any kind in any securities on CVC Credit's restricted list or issuers on which CVC Credit is designated as syndicate level private. CVC Credit's restricted list contains the names of companies for which CVC Credit has

material non-public information, or for which CVC Credit has otherwise determined must be added to the restricted list.

The Code and Personal Securities Transaction Policy additionally require CVC Credit's compliance team to regularly review the trading activity of personnel and to address any issues noted during the review, including determining, with senior personnel, whether to impose sanctions for violations of the Code and Personal Securities Transaction Policy and the extent of imposed sanctions.

Under the Code, CVC Persons may not, outside of their activities performed on behalf of CVC Credit, serve as a director of a company (or in a similar position) or as a member of a company's creditors committee, unless the employee has received approval from CVC Credit's Chief Compliance Officer. Authorization will be based on a determination that the outside board or committee service would not conflict with the interest of any Client account. In making this assessment, the CCO will typically review not only for direct Client conflicts, but also indirect conflicts such as the possibility that board service would unduly restrict CVC Credit from making investments on behalf of Clients.

CVC Credit personnel are also prohibited under the Code from using their position with CVC Credit to obtain an item of value from any person or company that does business with CVC Credit. The benefits of the item of value must be designed to enhance the quality of the service to the client and not impair compliance with CVC Credit's duty to act honestly, fairly and professionally in accordance with the best interests of clients. CVC Credit personnel are subject to limits on the giving and receipt of gifts, and unsolicited business entertainment is permitted if: a) it is not so frequent or of such high value as to raise a question of impropriety, and b) the person providing the entertainment is present at the event. Gifts or entertainment in excess of established thresholds must be approved by CVC Credit's CCO, as well as any gifts or entertainment provided to public officials, irrespective of value.

A copy of the Code is available to any Client or investor, or potential Client or investor on request to CVC Credit's CCO.

12. Brokerage Practices

CVC Credit is generally granted discretionary authority in its investment advisory contracts with Clients to select broker-dealers in connection with all portfolio transactions. With respect to CLO Clients, discretionary authority to purchase or sell securities or loan investments in Client accounts may be limited by the terms of the applicable indentures and other governing agreements which may impose quality, liquidity, concentration, diversification and other requirements. CVC Credit seeks to trade on behalf of Clients in a manner that is fair and equitable to all Clients and has established a ("Best Execution Policy") designed to ensure that CVC Credit exercises diligence and care throughout the trading process. In seeking best execution, the determining factor is not always the lowest possible per security price or commission or fee but whether, in CVC Credit's view, the transaction represents the best overall execution for CVC Credit's Clients. In placing orders, CVC Credit seeks to obtain best net results for portfolio transactions that are reasonably available, whilst taking into account all relevant factors, including quality of execution, speed of execution, likelihood of execution and/or settlement, size, complexity and other characteristics of the order, and other execution factors identified in CVC Credit's Best Execution Policy, all in light of CVC Credit's overall responsibilities to each Client.

- In no instance does CVC Credit seek to obtain research or other soft dollar benefits in exchange for directing Client brokerage to the broker or bank producing such materials. CVC Credit may, from time to time, receive unsolicited market and industry research made generally available by broker-dealers and agent banks for loan syndications to their counterparties.
- CVC Credit and its related persons do not receive Client referrals from broker-dealers or third parties that provide order execution on behalf of Client accounts.
- CVC Credit does not routinely recommend, request or require Clients to direct CVC Credit to execute transactions through specified broker-dealers.

CVC Credit will provide Clients with its Best Execution Policy upon request. To comply with MiFID II and related regulations, CVC Credit UK in certain instances will also obtain client consent to the Best Execution Policy prior to providing advisory services.

In an effort to minimize costs and obtain best execution for Client transactions in marketable securities, CVC Credit may consider it appropriate to aggregate orders for Clients, subject to CVC Credit's obligations to obtain best execution for Clients and otherwise treat those Client in a fair and equitable manner. Allocations of aggregated Client orders are consistent with CVC Credit's allocation policies and procedures described above in Item 6 and Item 10.

Although CVC Credit personnel endeavour to take the utmost care in implementing investment decisions on behalf of each Client, trade errors do occur and could have a material adverse impact on the performance of any or all Clients. CVC Credit endeavours to detect trade errors quickly and correct and/or mitigate them in an expeditious manner as determined under CVC Credit's policies in effect from time to time. Not all trade errors are compensable trade errors, but trade errors may be compensable if CVC Credit determines that its actions leading to the trade error did not meet the applicable standard of care for managing the assets of the Client, and the Client suffered a net loss as a result. To the extent an error is caused by a counterparty, such as a broker, CVC Credit will take commercially reasonable steps to attempt to recover any loss associated with such error from such counterparty, but generally will not undertake litigation on behalf of clients unless otherwise agreed. Given the large volume of transactions executed by CVC Credit, investors should assume that trading errors (and similar errors) will occur and that CVC Credit's investment vehicles may be responsible for any resulting costs or losses unless such errors are due to actions or omissions by CVC Credit for which CVC Credit would be responsible and would not be entitled to indemnification pursuant to the relevant Client Agreements. Where a single error or a series of related errors result in multiple transactions in a client account, gains and losses on these transactions may be netted to determine the net impact of a trade error. Calculating the exact amount owed to the Client involves discretion and CVC Credit will seek to calculate the amount owed in good faith. CVC Credit has adopted a formal trade error policy covering its practices.

On a semi-annual basis, CVC Credit's Brokerage Committee meets to discuss its best execution practices, any identified trade errors or trading issues, review counterparties, review cross trades, and evaluate execution quality as applicable.

13. Review of Accounts

CVC Credit has implemented an internal structure which allocates responsibility for the ongoing oversight and review of its Client accounts to the respective CVC Credit investment committees and appropriate Portfolio Managers. CVC Credit reviews CLOs on at least a quarterly basis, focusing primarily on credit analysis of each issuer's financial performance, a review of each issuer's capital structure and a review of each issuer's industry prospects. Managed Accounts are reviewed, no less frequently than quarterly, with the Client by the Portfolio Manager and the Portfolio Manager responsible for the relevant portfolio. Managed Funds are reviewed on an ongoing basis with certain reviews performed daily, weekly and monthly. Such reviews may take into account the Managed Funds investment position exposure, pricing and risk analysis. These reviews are conducted by the Portfolio Manager. On a daily or weekly basis, CVC Credit also reviews certain aspects of each investment including, but not limited to: the operational performance of each investment, including an evaluation of the macro-economic, credit specific and event-driven factors for each investment; price performance; any related news items related to the investment; and any correspondence from the issuer/management and/or the institution that acts as the administrative agent for the issuer's financing. These reviews are conducted by the investment and operations teams.

The nature and frequency of regular reports provided to Managed Funds and Managed Accounts depends on the terms of the relevant governing documents and any regulatory requirements of jurisdictions where the Managed Funds and Managed Accounts are organized. CVC Credit will typically provide the reports described below and may provide additional types of reports (such as proxy voting summary reports and brokerage reports) as may be agreed upon with Clients.

CLO investors receive monthly trustee report.

The Managed Accounts receive reports from CVC Credit Partners and/or the applicable custodian on a daily, monthly and quarterly basis. The custodian for each Managed Account makes available a cash flow report to the Managed Account on a daily basis. This report shows all transactions (debits and credits) affecting the account. CVC Credit Partners also provides the Managed Account with a monthly

report summarizing account activity. CVC Credit Partners provides Managed Accounts with a quarterly report that summarizes market and economic activity together with return data and market prices.

Investors in Managed Funds may receive a monthly or quarterly capital statement and one-page transparency discussing the performance and positioning of the Managed Fund. Investors in Managed Funds may also receive a quarterly letter summarizing the investments in the Managed Fund. Typically, investors in Managed Funds are provided with written quarterly unaudited financial reports and annual audited financial statements.

14. Client Referrals and Other Compensation

CVC Credit does not receive any economic benefit from any party that is not a Client in connection with the provision of investment advice or other advisory services to CVC Credit Clients.

CVC Credit Partners uses the services of placement agents to refer investors to Managed Funds for which CVC Credit Partners serves as the investment manager. Pursuant to the placement agent agreements between CVC Credit Partners and third-party placement agents, CVC Credit Partners generally compensates placement agents with a portion of the management fees charged to each Client referred to CVC Credit Partners by the placement agent. Compensation under these arrangements is determined by means of an asset-based fee and/or a fixed retainer fee payable periodically for a certain period of time. All fees associated with these agreements are payable by CVC Credit Partners.

15. Custody

Related persons of CVC Credit serve as general partners to the Managed Funds for which CVC Credit Partners provides investment advisory services. CVC Credit Partners is, therefore, deemed to have custody of Client funds and securities for such Managed Funds. To the extent required under applicable law, all funds and securities owned by Managed Funds are maintained by qualified custodians and are audited by an independent auditor. Investors are provided with a copy of the audit report within 120 days after the end of the Managed Fund's fiscal year. In certain instances, CVC Credit or an administrator provides account statements to the Client or limited partners of the Managed Fund. Clients, limited partners of Managed Funds, or the independent representative of such limited partners, should compare account statements received from CVC Credit or an administrator with any account statements received from a qualified custodian.

16. Investment Discretion

The applicable indentures for each of the CLOs managed by CVC Credit place restrictions on CVC Credit's ability to buy and sell loans and securities on behalf of the CLO. Pursuant to the terms of these indentures, CVC Credit has limited discretionary authority over such accounts. CLO indentures generally restrict CVC Credit from selling collateral debt securities unless such loans or securities have experienced specified credit deterioration, ratings downgrades, or events of default. CVC Credit is also permitted by the terms of each CLO indenture to trade a portion of the CLO account on a discretionary basis. Client Agreements for Managed Accounts and Managed Funds set forth the general criteria for the types of loans and securities to be purchased and sold on behalf of the entity, subject to the restrictions as may be specified in such agreements. Further, certain investment management agreements for Managed Accounts may require that CVC Credit Partners provide notice to the Client prior to executing any transaction on behalf of the Client and provide the Client the opportunity to decline the proposed transaction. Notwithstanding the foregoing, CVC Credit Partners is generally granted discretionary investment authority on behalf of Managed Accounts and Managed Funds.

17. Voting Client Securities

Although CVC Credit primarily provides investment advice with respect to loans and other debt investments that do not entitle Clients to vote on corporate matters, in certain instances Clients are entitled to vote in connection with amendments or waivers to their rights or in connection with other corporate actions.

CVC Credit has adopted and implemented a ("Proxy Policy") will vote all proxies and act on all corporate action notifications that it receives, unless a Client has reserved such right. The policy provides that,

where CVC Credit is authorized to vote Client securities, the Firm will seek to vote or exercise rights in the best interest of its Clients, taking into account all relevant factors. In voting proxies and corporate actions, the Firm will act in a manner that it believes will (i) maximize the economic benefits to Clients and (ii) promote sound corporate governance by the issuer.

CVC Credit's Proxy Policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict. Conflicts of interest will arise from time to time in relation to proxy voting requirements. CVC Credit shall monitor all proxies for any potential conflicts of interest. If a material conflict of interest arises, CVC Credit will determine what is in the best interests of the relevant CVC Credit Client and will seek to take appropriate steps to eliminate any such conflict, in accordance with the Proxy Policy.

Existing Clients may obtain a copy of the proxy voting policy and information on how CVC Credit voted Client securities by written request to CVC Credit. CVC Credit generally does not provide proxy or corporate action recommendations to Clients who have not granted CVC Credit voting authority over their securities.

18. Financial Information

CVC Credit does not require the payment of management fees or other compensation six months or more in advance. There exists no financial condition of which CVC Credit is currently aware that would impair its ability to meet contractual commitments to its Clients.