

**ITEM 1.
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

ONEX CREDIT PARTNERS, LLC D/B/A ONEX CREDIT

A Delaware Limited Liability Company registered
with the U.S. Securities and Exchange Commission
as an Investment Adviser

March 28, 2024

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This brochure provides information about the qualifications and business practices of Onex Credit Partners, LLC d/b/a Onex Credit. If you have any questions about the contents of this brochure, please contact us at 201-541-2121 or send an e-mail to zdrozdz@onex.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Onex Credit Partners, LLC d/b/a Onex Credit is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

This brochure updates the previous Onex Credit Partners, LLC d/b/a Onex Credit (together with its relying advisers, “Onex Credit” and together with its affiliates, “Onex”) brochure dated March 31, 2023. This brochure does not contain any material changes, but Onex Credit has made routine changes and updates throughout this brochure, including updated regulatory assets under management and certain enhancements to risk disclosures.

We encourage all recipients to read this brochure carefully and in its entirety.

ITEM 3.
TABLE OF CONTENTS

ITEM 1. COVER PAGE	1
ITEM 2. MATERIAL CHANGES	2
ITEM 4. ADVISORY BUSINESS	4
ITEM 5. FEES AND COMPENSATION.....	7
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	15
ITEM 7. TYPES OF CLIENTS	19
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	20
ITEM 9. DISCIPLINARY INFORMATION	41
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	42
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	53
ITEM 12. BROKERAGE PRACTICES	56
ITEM 13. REVIEW OF ACCOUNTS.....	58
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION	59
ITEM 15. CUSTODY	60
ITEM 16. INVESTMENT DISCRETION.....	61
ITEM 17. VOTING CLIENT SECURITIES.....	62
ITEM 18. FINANCIAL INFORMATION	63

ITEM 4.

ADVISORY BUSINESS

Onex Credit Partners, LLC is an investment adviser with its principal place of business in Englewood Cliffs, New Jersey. Onex Credit Partners, LLC was registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) on January 30, 2006 and commenced operations as an investment adviser on January 1, 2006. Onex Credit Partners, LLC’s affiliates, Onex Credit Partners Europe LLP and Onex Credit Management LLC d/b/a Onex Credit (“OCM”), act as relying advisers and operate with Onex Credit Partners, LLC as a single advisory business. Onex Credit Partners, LLC, Onex Credit Partners Europe LLP and OCM are jointly referred to herein as “Onex Credit”.

Onex Credit is a subsidiary of Onex Corporation, a public company based in Canada, which has been acquiring and building businesses as a private equity investor since its inception in 1984. Starting in 1999, Onex Corporation began to develop a broader asset management business with the sponsorship of a series of private equity funds and the establishment of Onex Credit. Onex Corporation is listed on the Toronto Stock Exchange, and Gerald W. Schwartz, its founder and Chairman, is the company’s controlling shareholder.

Onex Credit serves as an investment manager of and offers advisory services on a discretionary basis to its clients, which are pooled investment vehicles and managed accounts intended for sophisticated investors and institutional investors and structured debt vehicles consisting of collateralized loan obligations (“CLOs”), including the following: OCP AEGIS CLO 2023-29, LTD., OCP CLO 2013-4, LTD, OCP CLO 2014-5, LTD, OCP CLO 2014-6, LTD, OCP CLO 2014-7, LTD, OCP CLO 2015-9, LTD, OCP CLO 2015-10, LTD, OCP CLO 2016-11, LTD, OCP CLO 2016-12, LTD, OCP CLO 2017-13, LTD, OCP CLO 2017-14, LTD, OCP CLO 2018-15, LTD, OCP CLO 2019-16, LTD, OCP CLO 2019-17, LTD, OCP CLO 2020-18, LTD, OCP CLO 2020-19, LTD, OCP CLO 2020-20, LTD, OCP CLO 2020-8R, LTD, OCP CLO 2021-21, LTD, OCP CLO 2021-22, LTD, OCP CLO 2022-24, LTD, OCP CLO 2022-25, LTD, OCP CLO 2023-26, LTD., OCP CLO 2023-28, LTD., OCP EURO CLO 2017-1 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2017-2 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2019-3 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2020-4 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2022-5 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2022-6 DESIGNATED ACTIVITY COMPANY, OCP EURO CLO 2023-8 DESIGNATED ACTIVITY COMPANY, OCPE CLO 2023-7 DESIGNATED ACTIVITY COMPANY, OCS Dynacast, LP, Onex Capital Solutions (Luxembourg), SCSp, Onex Capital Solutions (Luxembourg) Feeder, SCSp, Onex Capital Solutions, LP, Onex Credit Lending Partners I, LP, Onex Senior Credit Fund, L.P., Onex Senior Credit Partners, LP, Onex Senior Credit Fund International, LTD, Onex Senior Credit II, LP, Onex Credit High Yield Bond Fund, LP, Onex Credit High Yield Bond Fund (Offshore Feeder), LLC, Onex Credit High Yield Bond Fund (Onshore Feeder), LP, Onex Credit HY, LP, Onex Credit Proprietary Fund, Onex Evergreen Credit Master Fund, L.P. – Onex MPD SMA Series 2022-1, Onex Evergreen Credit Feeder Fund, L.P. – Onex MPD SMA Series 2022-1, Onex Structured Credit Opportunities Fund I, LP, Onex Structured Credit Opportunities International Fund I, LLC, Onex Structured Credit Opportunities Partners I, LP, OSD CLO 2021-23, LTD, OSD CLO 2023-27, LTD. (each a “Fund” and collectively, together with any future funds to which Onex Credit and/or its affiliates provide investment advisory services, the “Funds”). A related person of Onex Credit generally acts as general partner or manager of each Fund, and Onex Credit generally acts as investment adviser to each Fund. The following general partner and managing member entities are affiliated with Onex Credit: Onex Capital Solutions GP, LP, Onex Credit High Yield GP, LP, Onex Credit Lending Finance I Ltd, Onex Credit Partners GP, LLC, Onex Credit Solutions GP, L.P., Onex Credit Solutions Luxembourg GP, Onex Debt Opportunity Fund GP, LLC, Onex Evergreen Credit GP, L.P., Onex Senior Credit GP, LLC, and Onex Structured Credit Opportunities I GP, LP.

Current and prospective investors in the Funds advised by Onex Credit should refer to the applicable confidential offering or private placement memorandum, limited partnership agreement or similar constitutional documents, investment management agreement, as well as any side letters or similar agreements entered into between certain Fund investors and the applicable Funds (the “Governing Documents”) of each Fund for complete information on the investment objectives, investment restrictions and risks applicable to such Fund. Onex Corporation and Onex Credit investment professionals and other executives invest in or alongside the Funds.

Onex Credit provides advice to Fund accounts based on specific investment objectives and strategies. In connection with any potential managed accounts and pooled investment vehicles having a limited number of investors, Onex Credit may agree to tailor advisory services to the individual needs of clients.

Onex Credit’s advisory services to the Funds are detailed in the Governing Documents and are further described below. Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in such Fund’s overall investment program, but in certain circumstances are permitted to be excused from a particular investment due to legal, regulatory, or other applicable constraints; such arrangements generally do not and will not create an adviser-client relationship between Onex Credit and any investor. Onex Credit has entered into and could, in the future, enter into side letters or other writings with specific investors in our Funds which have the effect of establishing rights under, or altering or supplementing, the terms of the Governing Documents of the Funds or an investor’s subscription agreement in respect of the investor to whom such letter or writing is addressed. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, priority co-investment rights or targeted co-investment amounts, ability to transfer interests in a Fund, or compliance with specified laws or regulations. Generally, any rights established, or any terms altered or supplemented, will govern only that investor and not a Fund as a whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nations” rights pursuant to a Fund’s Governing Documents. Such side letters may also impose restrictions on participation in certain investments or types of investments made by the Funds. Subject to applicable law and regulation, such agreements will be disclosed only to those actual or potential investors in a Fund that have separately negotiated with the general partner of such Fund for the right to review such agreements.

Additionally, as permitted by the Governing Documents, Onex Credit expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons (including investors or clients of Onex Corporation or its affiliates), including other sponsors, market participants, finders, consultants and other service providers, borrower management or personnel, Onex personnel and/or certain other persons associated with Onex Credit and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable borrower at the same time and on the same terms as the Fund making the investment. Therefore, Onex Credit expects to serve as the investment manager to co-investment vehicles to participate in Fund investments on a side-by-side basis with a Fund. Onex Credit may also organize one or more co-investment funds to co-invest alongside the Funds to facilitate personal investments by such persons or firms and by partners, officers and personnel and their related parties and associates of Onex Credit or of control entities. Onex Credit has and could, in the future, also facilitate co-investments directly into a borrower.

The information provided above about the investment advisory services provided by Onex Credit is qualified in its entirety by reference to the Funds’ offering materials and other Governing Documents.

Onex Credit does not participate in any wrap-fee programs.

Onex Credit had approximately \$18,260 million of regulatory assets under management as of December 31, 2023. All assets are managed on a discretionary basis.

Onex Credit currently manages the following strategies:

Structured Credit: Onex Credit's structured strategy seeks to generate attractive risk-adjusted returns with downside protection, and current income across the entire collateralized loan obligation ("CLO") capital structure. Different strategies typically focus on the equity and junior tranches, mezzanine and senior investment grade rated tranches. Onex' structured credit team targets investment opportunities in CLOs, CBOs, Significant Risk Transfer and related structured transactions. Complexity and higher barriers can help to create premium economics.

CLOs: Onex Credit manages CLOs, which are vehicles backed by actively managed, diversified portfolios of senior secured corporate loans in the U.S. and Europe. They offer the ability to provide different risk-reward profiles by rated tranche, or via the junior tranches and equity. Onex has been a regular issuer in the CLO market since the platform launched in 2012, and has issued a total of 38 U.S. and European CLOs.

Sub-Investment Grade Liquid Credit Strategy: Through Onex Credit's Sub-Investment Grade Liquid Credit business, Onex Credit manages a High Yield strategy and a Senior Credit strategy. The High Yield strategy is focused primarily on investing in bonds that are rated below investment grade. This strategy seeks to generate attractive risk-adjusted returns that outperform the ICE BoAML US HY Index (J0AO) through a full credit cycle. The strategy aims to preserve capital by avoiding credit defaults and dampening volatility by dynamic positioning in response to market conditions. Senior Credit is a long only strategy focused primarily on first-lien, senior secured debt obligations of North American borrowers in the broadly syndicated leveraged loan market. The strategy employs a fundamental, bottom-up credit selection process designed to deliver high income while minimizing credit default loss and interest rate risks and can be deployed both with and without the use of leverage.

Tactical Allocation: This strategy is an all-weather mandate to tactically invest across the entire Onex Credit platform, from private to public credit. The broad range of potential opportunities in this strategy seeks to facilitate timely market access, including during periods of volatility.

Opportunistic Credit Strategy: An opportunistic credit strategy that shifts between private / public secondary market opportunities. This strategy is unconstrained by ratings, asset class or liquidity. The strategy seeks to employ an active "drive-the-outcome" approach, rather than passive value investing. Target investments have downside protection, upside optionality and an identifiable path to deliver value.

Direct Lending Strategy: Direct lending provides access to private first lien senior secured loans made to middle-market companies primarily in North America. The strategy seeks to deliver high current income while preserving principal through downside protections and high quality credit selection, driving favorable risk-adjusted returns.

Onex Credit could manage one or more additional or adjacent strategies in the future.

ITEM 5.

FEES AND COMPENSATION

Onex Credit and/or affiliates acting as the general partners or managing members of the Funds generally receive management fees and performance-based compensation and could receive certain additional compensation in connection with management and other services performed for portfolio companies (e.g., Supplemental Fees, as defined below) of the Funds and the Fund's pro rata share of such Supplemental Fees is generally offset in whole against the management fees otherwise payable to Onex Credit to the extent provided by the Governing Documents, all as further described below. Investors in a Fund also bear certain expenses. Certain Funds are not subject to management fees and/or performance-based compensation, as negotiated at the time of establishment thereof and as set forth in the relevant Governing Documents.

The precise amount of, and the manner and calculation of, the management fees payable with respect to each client are negotiated on a vehicle-by-vehicle basis, depending upon the size of their commitments, the timing of those commitments, and other factors negotiated between the investors and Onex Credit, and are set forth in the relevant Governing Documents. Different Funds are subject to different advisory fees as compensation for the investment advisory services rendered to the applicable client. Management fees and expenses could also be paid out of reserves of the applicable Fund.

Management Fees

Depending on the type of client and the advisory services provided to such client, Onex Credit receives management fees of up to 1.75% per annum. Management fees generally accrue and are paid on either a monthly or quarterly basis in arrears (meaning such fees are paid only after advisory services are rendered). Management fees for CLOs are based on the principal and cash balances of the CLO. Management fees for certain clients are generally based on a percentage of the capital contributions made to such client or capital invested by such client. Management fees for other clients are generally based on the net or gross (depending on the specific strategy and client) asset value of the Fund account.

Installments of the management fee payable for any period other than a full quarterly period are adjusted on a pro rata basis based upon the actual number of days in such period. If a Fund's investment management agreement is terminated or a withdrawal is made from a Fund account during a management fee billing period, the management fee payable to Onex Credit will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during such period in which the investment management arrangement was in effect or such amount was in the account.

These fees can be negotiated and fees for any managed accounts are negotiated on a case by case basis. Please refer to the applicable Governing Documents for complete information on the timing, nature and amount of management fees and performance-based compensation payable in respect of each client. The Governing Documents set forth the full list of items under which a Fund's management fee will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified management fee in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

Performance Compensation

Onex Credit typically also receives performance-based compensation, which is based upon a share of the client's net profits and may include net unrealized gains and losses on investments. This compensation is

paid or reallocated to Onex Credit or to a related person of Onex Credit and is equal to an amount of up to 20% of a Fund's net profits, in some cases subject to a preferred return. Certain clients are not charged performance-based compensation. Profit allocations typically represent a specified percentage of realized and unrealized net profits earned by a Fund or managed account (after accounting for the allocable amount of management fees, organizational and offering expenses and other expenses associated with the operation and activities of the Fund) and are subject to hurdles and/or clawbacks as specified in the Governing Documents.

Other Expenses

To the extent that Onex Credit or related persons of Onex Credit are entitled to receive certain supplemental fees and other amounts ("Supplemental Fees") in connection with an investment or potential investment opportunity (e.g., break-up fees, director's fees, monitoring fees and transaction fees), generally 100% of such Fund's allocable pro rata share of such Supplemental Fees paid to Onex Credit, any entity owned and controlled by one or more partners of Onex Credit (a "Service Provider"), or any affiliate, partner, officer or member of the staff of Onex Credit or of any Service Provider for services rendered to or with respect to such investment or potential investment opportunity offsets the management fees otherwise payable to Onex Credit in accordance with the Governing Documents of such Fund. The remaining amount of such fees will be retained by Onex Credit. To the extent that such an offset credit would reduce the management fee for the relevant period below zero, the credit will be carried forward for future application against payable management fees. As a matter of practice, Onex Credit in certain cases is paid fees of the type referred to in this paragraph from, on behalf of or with respect to co-investors in an investment, and reserves the right to receive fees relating to the structuring and administration of co-investment arrangements. As described above, the receipt of such Supplemental Fees with respect to such co-investors will not reduce the management fee payable by any Fund that also has invested in such investment and, as a result, a Fund will, in most cases, only benefit with respect to its allocable portion, on a fully diluted basis, of any such fee and not the portion of any fee related to: (i) general partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Onex Credit, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others).

Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of Supplemental Fees or the provision of related services. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions even if management fees are reduced or eliminated during the extended term, thus reducing the amounts of management fees actually offset. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors will generally not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Funds that do not pay a management fee neither receive the benefit of the management fee offsets nor share in any of such additional fees earned by Onex Credit and its affiliates. Onex Credit generally has discretion over whether to charge Supplemental Fees to a borrower and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party.

In addition, the Governing Documents typically allow the applicable general partner to waive all or a portion of the management fee it is entitled to receive. Waived or reduced management fees are not subject to the management fee offsets described above, and the amount of such waived or reduced management fees has the potential to be significant.

Principals or other current or former employees of Onex generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, carried interest or other compensation received by Onex Credit or its affiliates. In addition, Onex Credit is permitted to exempt certain investors in the Funds, from payment of all or a portion of management fees and/or carried interest, including Onex and any other person designated by Onex, such as “friends and family” of Onex or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. Such exemptions may be made pursuant to a direct exemption or rebate or through investment in another Fund, such as a co-investment fund, that does not charge a fee.

The organizational expenses of the Funds are generally paid by those Funds, and therefore indirectly by Fund investors, in some cases subject to a cap. In general, the Funds will bear all costs, fees and expenses incurred in connection with organizing and establishing the applicable Fund, its general partner (or equivalent) and the general partner thereof, as applicable, and the marketing and offering of interests in the Fund, including, without limitation, (i) expenses, fees and costs of the general partner of the Fund, Onex Credit and their respective affiliates (x) incurred in the formation and qualification of the Fund or (y) incurred in connection with the pre-marketing, marketing and offering of interests in a Fund and (ii) the organization and funding of the Fund and the general partner (or equivalent) of the Fund. Such out-of-pocket expenses incurred with respect to the Fund may include all legal and accounting fees and expenses, registration fees (including all fees, costs and expenses incurred in connection with the marketing and registration of the Fund and compliance with regulatory and legal regimes applicable thereto, including the initial registrations, filings and compliance contemplated by the AIFMD or any similar law, rule or regulation as well as the maintenance of any necessary registrations with regulators in order to market the Interests in certain jurisdictions), filing fees, printing costs, travel (which includes first or business class commercial airfare or private or charter airfare) and reasonable entertainment costs and ancillary expenses (including, without limitation, airfare, meals, lodging, etc.), and all costs and expenses incurred in connection with the initial onboarding of investors (including “know-your-customer” and anti-money laundering compliance) and the preparation of offering documents, marketing materials, organizational documents, operating documents and similar materials, compliance with marketing, offering and lobbying laws, rules and regulations, and the costs of qualifying, reproducing, amending, supplementing, mailing and distributing offering materials, and any placement agent fees. Typically, the management fees payable by a Fund will be reduced dollar-for-dollar by the amount of any placement agent fees paid by such Fund such that the investors in the Fund will not bear the economic burden of any placement agent fees, except for any placement agent or underwriting fees associated with the CLO strategy, which will be borne by the applicable Fund.

Fund Expenses

The Funds will also typically bear all costs and expenses relating to their activities and, depending on the Fund and the terms of its Governing Documents, these could include, without limitation, all fees, costs and expenses relating to a Fund’s (i) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Fund or by Onex Credit on behalf of the Fund, (ii) asset pricing and asset rating services, third-party valuation consultants, risk management and compliance services and products and software, and accounting, programming and data entry services related to the management of secured and unsecured loans, high-yield bonds and other fixed income instruments and other securities or assets held for investment (“Investments”), as applicable, (iii) insurance premiums or expenses, including D&O and/or E&O liability insurance, crime and general partnership liability and financial institution bond insurance or other insurance, including policies covering the general partner of the Fund, Onex Credit and their respective affiliates, members, partners, shareholders, officers and employees, and regulatory compliance and filing costs and any other costs of any legal or other advisers retained in connection with the aforementioned, (iv) costs and expenses related to subscriptions to industry

publications and research services, in each case related to existing or proposed Investments and management of Investments, including any restructuring or work-outs, including in each case, attorneys' fees and disbursements, Bloomberg, Wall Street Office, Allvue (f/k/a Black Mountain Systems), other database services, subscriptions and consultants, news and quotation equipment and services and trading-related computer hardware and software expenses, (v) all costs and out-of-pocket fees and expenses attributable to sourcing, investigating, identifying, analyzing, evaluating, financing, re-financing, structuring, organizing, obtaining regulatory approvals for, trading, settling, maintaining custody of, researching, pursuing, acquiring, purchasing, investing, holding, monitoring, managing, operating, hedging, restructuring, valuing, seeking disposition opportunities and disposing of, the Investments (and prospective Investments) on behalf of the Fund, whether or not consummated, including brokerage commissions, prime brokerage fees, due diligence costs, investment banking fees, dealer, underwriting, sourcing or finder's fees, interest and fees on credit facilities of the fund, borrowing charges on securities sold short, custodial fees, fees of any depositary, clearing and settlement charges, commitment fees or other lenders' fees that become payable in connection with a proposed Investment, fees and expenses related to negotiating non-disclosure and confidentiality agreements, travel (which includes first or business class commercial airfare or private or charter airfare), and entertainment costs and ancillary expenses (including, without limitation, airfare, meals, lodging, etc.), in each case, incurred in connection with the evaluation, acquisition or disposition of one or more Investments on behalf of the Fund (whether or not actually consummated), third-party consulting, legal and accounting and other professional fees and expenses, printing expenses and costs of related information management and trading systems, in each case, including any group purchasing costs, as applicable, reverse breakup, termination and other similar fees and financing, commitment, origination and similar fees and expenses, (vi) all legal, accounting, auditing, administrative, custodian, depositary, valuation firm, appraisal, actuarial, consulting, brokerage, engineer, research, brokerage, lending, banking, anti-money laundering and other professional services, syndication and solicitation, arranger, representative and paying agent, trustee, record keeping service provider and other similar fees and expenses (including courier fees and expenses related to conference calls), all costs, fees and expenses of meetings of Fund investors, fees and expenses of any administrator and costs and other out-of-pocket expenses associated with monitoring compliance with the Governing Documents of the Fund and with the preparation and delivery of Fund financial statements, tax returns, Schedule K-1s and other tax-related documentation and reports and notices to the Fund investors, and any fees, costs and expenses of developing, hosting, licensing, implementing, maintaining, enhancing or upgrading any applicable investor relations, accounting, portfolio tracking, reporting, cybersecurity or other software, web portal or extranet tools, and any fees, costs and expenses with respect to protecting the confidential or non-public nature of any information or data, (vii) expenses of a board of advisors and holding meetings thereof, and all costs and expenses of any votes, consents or meetings of Fund investors or the board of advisors or any amendments to or waivers of Fund agreement or any related agreement and the out-of-pocket expenses and other legal and advisory expenses of the board of advisors, (viii) extraordinary expenses, liabilities, indemnities and other obligations of the Fund (including litigation, mediation, arbitration or other dispute resolution process, audit, investigation and indemnification costs and expenses, judgments, penalties, fines and settlements and any other costs and expenses and the fees, costs and expenses of complying with all applicable laws, rules and regulations (including, without limitation, lobbying laws, rules and regulations and regulatory filings and reporting on and compliance with certain regulatory requirements), any ongoing or additional onboarding of investors, "know-your-customer", anti-money laundering or related requirements of any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to a Fund, its general partner (or equivalent), Onex Credit and/or any of the respective affiliates, (ix) all fees, costs and expenses of maintaining the existence of a Fund, any separate investment entity, and the general partner (or equivalent) of the Fund (and its general partner, as applicable), including franchise taxes and partnership registration, registered agent fees and expenses, and complying with applicable laws, rules, regulations, orders and directives, including, without limitation, reports, notifications, filings, disclosures, registrations, affirmations, (x) all fees paid to directors of the Fund or its general partner (or

equivalent), (xi) all fees, costs and expenses of the wind down and dissolution of the Fund and the liquidation of the assets of the Fund in connection therewith, (xii) all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the Fund, and any of its subsidiaries, utilization and refinancing of any credit facility and any related expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations and any loan administration costs, (xiii) all taxes and/or tax-related interest, duties, fees and other governmental charges levied against the Fund and all related filing fees and tax consulting fees and expenses and all entity-level taxes, (xiv) the out-of-pocket expenses incurred in connection with complying with provisions in side letters, including “most favored nations” provisions, (xv) broken-deal expenses to the extent not reimbursed by an entity in which the Fund has invested or proposes to invest or other third parties, (xvi) any out-of-pocket expenses incurred in connection with any transfer of interests in the Fund, (xvii) and any other expense borne by the Fund, the general partner (or equivalent) of the Fund or Onex Credit pursuant to the Fund’s Governing Document, including, but not limited to, the following: additional expenses for operating costs such as director fees, legal, accounting, auditing, and other professional expenses, research expenses (including costs and expenses related to subscriptions to industry publications and research services), client related professional liability and other insurance (including, with respect to certain clients that are pooled investment vehicles, policies covering special purpose vehicles formed to act as general partner of such clients), all fees, costs and expenses of maintaining the legal existence of the client and any special purpose vehicles formed to act as general partner (or equivalent) of such client (including, without limitation, franchise taxes and partnership registration, registered agent fees and expenses), investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, rating agency expenses, broker expenses, asset pricing and asset rating service expenses, compliance services and software, programming and data entry services, registrar and transfer agent expenses, banks service fees, direct fees and expenses such as legal fees and due diligence expenses related to the analysis, purchase or sale of investments (whether or not consummated).

In addition, in certain instances, a Fund has borne and may, in the future, bear expenses in respect of an existing or prospective investment that was not or will not be borne by other owners of or lenders to such borrower (including co-investors or co-investment funds), where Onex Credit has determined such arrangement to be in the best interest of such Fund (e.g., a Fund engages or pays for a consultant for services in respect of a borrower without reimbursement by other owners of or lenders to such borrower).

In the event that a parallel fund of a Fund holds its interest in an investment through a blocker corporation, all costs, expenses and reduction in proceeds attributable to such blocker corporation and any associated intermediate investment vehicle of such blocker corporation shall be borne solely by the limited partners of such parallel fund and the carried interest payable to the relevant general partner will be calculated without regard to any such costs and expenses.

Brokerage fees may be incurred in accordance with the practices set forth in Item 12 “Brokerage Practices.”

cordance with the practices set forth in Item 12 “Brokerage Practices.”

Each Fund could incur various combinations of expenses outlined in the prior paragraphs which are not intended to be an exhaustive list. Investors and their counsels should read the respective Fund’s Governing Documents for complete details.

Broken Deal Expenses

The general partners of the Funds and Onex Credit generally have the discretion to require the Funds to pay 100% of the amount of any broken deal expenses whether or not there are co-investors that are committed to or expected to participate in such investment or transaction or a potential co-investment opportunity or a syndication to third parties or other transaction participants (including, without limitation, the borrower's management) are contemplated in connection with such investment or transaction. Unless required under the Governing Documents or applicable law or regulation, in the event that any potential investment of a Fund (including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the general partner) is ultimately not consummated and results in broken deal expenses and all or a portion of such broken deal expenses are not paid or reimbursed by any potential co-investment vehicles, co-investors or other third parties or transaction participants, as applicable, all broken-deal expenses relating to such proposed transaction could be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. Additionally, to the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole. However, in connection with any co-investment opportunity, if any prospective co-investor has contractually agreed to bear a portion of any broken deal expenses in connection with such co-investment opportunity, the Fund will not be required to bear the portion of such Broken Deal Expenses that such prospective co-investor has contractually agreed to bear. While certain of such broken deal expenses could be reimbursed by offsetting certain amounts payable to Onex Credit or one or more of its affiliates, there can be no assurance that sufficient offsetting fees will be generated to reimburse all such broken deal expenses.

Allocation of Shared Expenses

In certain circumstances, Onex Credit and its affiliates could incur fees, costs and expenses on behalf of more than one Fund and/or Onex Credit or its affiliates and/or co-investors or one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors, and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. As a general matter, Fund expenses typically will be allocated among all relevant funds or co-invest vehicles receiving the benefit of such expenses (in the relevant general partner's sole discretion) and eligible to reimburse expenses of that kind. In such cases, subject to applicable law and legal, contractual or similar restrictions, expenses will generally be allocated by Onex Credit pro rata or otherwise on a basis that is fair and equitable as determined by Onex Credit using its reasonable judgment, considering such factors as it deems relevant, but in its sole discretion. The Funds generally have different reimbursement terms, including with respect to management fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

To the extent set forth in such clients' Governing Documents, clients may also incur a share of Onex Credit's professional liability insurance, expenses related to compliance with all applicable laws, rules and regulations and any related filings (including, in each case, for the avoidance of doubt any costs incurred in respect of any legal or other advisers retained in connection therewith). In addition, client assets have been and, in the future, could be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund.

Other Benefits

Onex Credit and/or its affiliates and personnel can be expected to receive certain tangible, intangible and/or other benefits arising or resulting from their activities on behalf of the Funds that will not be subject to the management fee offset or otherwise shared with the Fund investors. For example, in the course of Onex Credit's operations, including research, due diligence, investment monitoring, and

investment activities, Onex and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to a Fund or borrower (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “Adviser Information”). In many cases, Adviser Information will include tools, procedures and resources developed by Onex to organize or systematize Adviser Information for ongoing or future use. Although Onex Credit expects the Funds and their Investments generally to benefit from Onex’ possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or Investments managed by Onex (or by Onex and its personnel) and not by the Fund or Investment from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of Onex and solely for the use of Onex. Onex reserves the right to use, share, license, sell or monetize Adviser Information, without offsetting or otherwise reducing management fees, and the relevant Fund or borrower entity will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or Investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the borrower entities, the Funds or their respective investors.

Service Provider Selection

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents), or their affiliates, to Onex Credit, a Fund or the borrowers in which it has invested, also provide services to or have business, personal, financial or other relationships with Onex Credit and/or its affiliates. For example, such advisors and service providers could also be investors in or co-investors alongside a Fund, sources of potential investment opportunities, or counterparties to or otherwise involved in transactions or matters with Onex Corporation, its affiliates, other Funds, Onex Credit, other borrowers, and/or the personnel of any of the foregoing. Although these relationships can have the appearance of influencing the decision whether to select or recommend such service provider to perform services for a Fund or a borrower (the cost of which will generally be borne directly or indirectly by such Fund or such borrower, as applicable), Onex Credit seeks to ensure service provider selection is merit-based and any potential conflicts of interest are mitigated.

Conflicts of Interest

The allocation of expenses by Onex Credit between it and any client and among clients represents a conflict of interest for Onex Credit. Onex Credit has adopted an expense allocation policy that is designed to address this conflict. Onex Credit allocates expenses to each client in accordance with the client’s arrangements with Onex Credit. Onex Credit seeks to allocate shared expenses for products and services benefitting Onex Credit and the client in a fair and reasonable manner. Onex Credit allocates common client expenses among multiple clients pro rata based on assets under management. However, Onex Credit has deviated and, in the future, may deviate from pro rata allocations with respect to expenses that, in Onex Credit’s view, disproportionately benefit a particular client or group of clients. When considering whether to allocate in a different manner with respect to a particular expense, Onex Credit may consider the following factors, among others: transaction-related expenses; frequency of trading; whether the expense relates to a single asset or group of assets; or whether the expense relates to a single strategy or a group of strategies. Where Onex Credit determines that an expense disproportionately benefits a particular client, Onex Credit may charge all or part of the expense to that client, such that the allocation of the expense is fair and equitable.

Neither Onex Credit nor any of its “supervised persons” will receive any compensation for the purchase or sale of securities or other investment products by any of the Funds.

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

See Item 5 above as to the performance-based compensation or allocations to which Onex Credit or its affiliates are entitled.

Onex Credit employs a wide range of investment objectives and strategies for its clients. These differing objectives and strategies raise potential conflicts of interest. For example, Onex Credit could buy a security for one client account while it is selling that security for another client account. In addition, Onex Credit could cause one client account to buy a particular security “long” and another client account, subject to any limitations in the Governing Documents of such client account, to sell that same security “short”. In specific instances, Onex Credit’s strategies have resulted and, in the future, are expected to result in buying and selling different securities and instruments within a borrower’s capital structure for different clients. Accordingly, it is possible that one client could acquire an instrument that is senior in the capital structure of a borrower relative to an instrument for a different client that is more junior in the capital structure (including common stock). In certain circumstances, such as if the credit quality of the borrower deteriorates, Onex Credit may owe conflicting fiduciary duties to multiple clients, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of that borrower’s securities or instruments. When Onex Credit causes its clients to take opposite positions with respect to a particular security or investment, or to invest in securities of a borrower with varying seniority in the borrower’s capital structure, actions taken by Onex Credit for one set of clients may disadvantage other sets of clients.

Onex Credit recognizes that some of the Funds have different terms in respect of fees and performance allocations and that, accordingly, actual or perceived conflicts of interest may arise in allocating opportunities to, between or among the Funds and/or other accounts managed, advised or controlled by or otherwise related to Onex Credit. Onex Credit recognizes its fiduciary duty to act in the best interests of the Funds and exercises due care to ensure that investment opportunities are allocated fairly and in accordance with the terms of the applicable Governing Documents and Onex Credit’s internal investment allocation policies, including but not limited to a consideration of the investment objectives and parameters of such Funds. Onex Credit’s investment allocation policy and Governing Documents typically address such matters in detail, including to what extent opportunities must be allocated to a particular Fund, whether co-investment is permissible and whether and on what terms Onex Credit, any of its affiliates, other investment vehicles they may manage and the principals of Onex Credit (the “Principals”) must or may participate in those opportunities. Subject to compliance with those terms and the terms of the Governing Documents or applicable law dealing with material conflicts regarding transactions that require consultation with the relevant boards, advisory boards, or conflicts committees, or that require consent of relevant bodies or investors, investment decisions, including allocations, are made in the reasonable discretion of Onex Credit.

Securities or other investments acquired by Onex Credit for its clients through an offering will be allocated pursuant to the procedures set forth in Onex Credit’s allocation policy. The policy provides that Onex Credit will determine the proposed allocation of limited offering securities after considering the factors described below with respect to general allocations of securities or other investments and determining those Fund accounts eligible to hold such securities or other investments. Eligibility will be based on the legal status of the clients and the client’s investment objectives and strategies.

Without limiting the foregoing, Onex Credit recognizes it is not permissible to allocate, or to fail to allocate, an investment opportunity to, between or among Funds on the basis of the amount of compensation or profit that is likely to be realized for Onex Credit and its affiliates.

The primary investment opportunity allocation principles for each Fund are derived from the Fund Governing Documents. In that regard:

Parallel Vehicles. When two or more investment vehicles are formed as part of the same investment program for the purpose of making the same investments on a side-by-side basis (“Parallel Vehicles”), investments will generally be allocated among the Parallel Vehicles based on their relative capital commitments, subject to all terms, conditions and limitations in the Governing Documents for each of the Parallel Vehicles.

Predecessor/Successor Funds. Certain new investment funds do not begin investment activities until their respective predecessor fund has invested or committed a significant portion of its aggregate capital commitments. As a result, issues related to allocation of investment opportunities may arise when Onex Credit begins investing a successor to an existing Fund prior to the expiration of the commitment period of the existing Fund. In general, the Governing Documents will set forth rules and procedures for the allocation of investment opportunities among such Funds and subject to such rules and procedures, opportunities will be allocated according to the reasonable determination of Onex Credit. In making such determination, Onex Credit will take into account such matters as the age and funding status of the relevant Funds vis-à-vis their respective commitment periods and Fund termination dates, the extent to which capital has been committed, called and returned to Fund investors, the composition of the portfolio of the Funds, any relevant legal, regulatory or tax considerations, and the expected ownership period of a particular asset, for example.

Co-investment and Joint or Strategic Investors. Onex Credit has raised and, in the future, could raise co-investment funds or establish co-investment vehicles to participate in Investments on a side-by-side basis with a Fund in accordance with the Governing Documents of such Fund. Further, a Fund could pursue an opportunity jointly with another private credit fund or credit fund sponsor in appropriate circumstances, which may include, for example, the size, nature, location, prior investment experience or other relevant factors relating to the target investment, the potential partner, the process or the opportunity.

Onex Credit has full discretion in determining to whom and in what relative amounts to allocate co-investment opportunities, whether through an entity it or one of its affiliates controls or directly into an operating company. In exercising its discretion, Onex Credit may consider certain factors including (but not limited to): (i) the aggregate amount of co-invest opportunity available; (ii) the magnitude and nature of a potential recipient’s relationship with Onex Credit and its affiliates, if any (including without limitation, the amount and timing of the recipient’s commitment to a Falcon Fund and/or other accounts); (iii) Onex Credit’s assessment of which potential co-investors may be willing and able to pursue and complete the particular co-investment if offered and its understanding of the nature and/or size of opportunities in which the potential co-investor is particularly interested; (iv) Onex Credit’s views as to whether the involvement of any particular potential co-investor(s) could directly or indirectly benefit the Fund, Onex Credit and/or its affiliates generally, the pursuit of and investment in the particular investment opportunity and/or the future business, activities or prospects of the Fund, Onex Credit or its affiliates, or the borrower; (v) whether the potential recipient is expected to provide expertise or other advantages in connection with a particular co-investment; (vi) any relevant considerations made known to Onex Credit by the borrower management team; and (vii) any further legal, regulatory or tax considerations, timing issues, and other special considerations arising as a result of the industry, sector, business or activities of the borrower that could affect or be affected by allocation decisions.. Furthermore, as Onex Credit is permitted to allocate co-investment opportunities in its sole discretion,

such as to current or prospective investors in a Fund, clients or potential clients of Onex Corporation or its affiliates, Onex Corporation or its affiliates, Onex personnel and/or certain other persons associated with Onex, funds or accounts established for any such persons or to other persons, including other sponsors, market participants, finders, consultants and other service providers, borrower management or personnel, and on such terms as Onex Credit determines in its discretion. Such co-investors typically will invest and dispose of their investments at the same time and on the same terms as the Fund, but in certain circumstances, this will not be the case. For strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) has and could, in the future, purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the borrower (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Onex Credit's sole discretion, Onex Credit reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Onex Credit expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund's Governing Documents. In order to facilitate the investment in a borrower entity, a Fund reserves the right to make (or commit to make) an investment in the borrower entity with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the transaction. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such borrower entity, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Onex and its affiliates make capital investments in or alongside certain Funds, Onex and its affiliates are subject to potentially conflicting interests in connection with these investments.

The economic participation of co-investors in an investment opportunity could be substantial and could involve greater risks than an investment in which there are no co-investors. The allocation of any co-investment opportunities will not necessarily be in proportion to the commitments of the co-investors (if any) to any Fund and will often involve different terms and fee structures. In certain circumstances, co-

investors could have interests that are inconsistent with those of Onex Credit or a Fund. In addition, co-investors could be in a position to obtain additional information regarding the applicable investment that generally will not be available to investors in the Fund.

Reference is made to Items 10 and 11 below for a further discussion of potential conflicts of interest and the manner in which they are addressed by Onex Credit.

ITEM 7. TYPES OF CLIENTS

Onex Credit's clients consist of pooled investment vehicles, including private funds, closed end funds and CLOs and institutional accounts, and any references in this brochure to "clients" and to Onex Credit's related duties to and practices on behalf of its clients and/or investors should be construed accordingly.

Onex Credit and its related persons generally require that, to the extent required by applicable law, each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, a "qualified client" within the meaning of the Advisers Act, and typically, either a "qualified purchaser" or a "knowledgeable employee" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"). Onex Credit typically offers investment opportunities in our pooled investment vehicles to banks and other financial institutions, public and private pension and profit-sharing plans, endowments, foundations and trusts, sovereign wealth funds, insurance companies, charitable organizations, government agencies or other institutional investors or corporations or business entities, as well as high-net-worth individuals and estates or family offices of high net worth individuals and often include, directly or indirectly, principals or other personnel of Onex and its affiliates and members of their families, or other service providers retained by Onex or a Fund, as well as executives of portfolio companies. Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to a Fund's general partner (or equivalent), a Fund or its operating companies may also be investors in or co-investors alongside a Fund.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the Governing Documents for the pooled investment vehicle.

ITEM 8.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Onex Credit utilizes a variety of methods to make investment decisions and recommendations. Onex Credit applies a fundamental, research-driven and value-oriented approach to non-investment grade credit markets. Onex Credit's investment processes are iterative and combine bottom-up with top-down analyses. Onex Credit uses a variety of resources to source investment opportunities including, but not limited to industry related research, trade publications, discussions with industry participants, company management and legal and financial professionals.

Upon identifying a potential investment, depending on the particulars of the investment and strategy, Onex Credit may perform an analysis of the value of the company as well as its ability to fund its fixed obligations, including interest expense, and capital expenditures. This analysis often starts with a forward-looking evaluation of the company's business model, including its expected cash flow under various economic and industry conditions, tangible asset value, competitive strengths and weaknesses, as well as the quality of its existing management team. In addition, Onex Credit may perform a structural analysis, including a review of the rights and interests of each creditor/equity holder in the company's capital structure, including protective debt covenants, collateral protection, seniority and other contractual rights as well as any other legal issues surrounding the company. Finally, Onex Credit may analyze an issuer's market liquidity by examining its size, current and historical trading activity, the number and type of holders, and its historical and current bid-ask spread. For event driven opportunities, the nature of the event, and the prospective timing of various scenarios, may be analyzed.

Investment Strategies

Onex Credit manages the following strategies:

- *Structured Credit*
 - CLOs – Onex Credit performs certain investment management functions, including supervising and directing the investment and reinvestment of assets held by CLO vehicles in accordance with the terms of its advisory agreements. The assets of a CLO primarily consist of loan instruments that are issued by leveraged non-investment grade companies and rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively.
 - Structured Credit – For clients following this strategy, Onex Credit seeks to achieve its investment objective primarily by purchasing interests in CLOs backed by senior secured loans with a geographic focus on the United States and Europe. Target investments include CLOs that are primarily backed by loans Onex Credit already monitors or owns, however, it is not anticipated that clients following this strategy will invest in CLOs managed by Onex Credit. Onex Credit will use leverage in this strategy in amounts Onex Credit deems prudent for certain clients.

- *Sub-Investment Grade Liquid Credit*
 - Senior Credit– Onex Credit seeks to achieve its investment objective in this strategy primarily by purchasing exposure to senior secured loans, which broadly defined consists of loan instruments that are rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively, and certain unrated loans. Syndicated leveraged loans include first and second lien loans as well as unsecured loans. It is anticipated that the assets held by Clients following this strategy will primarily be exposed to and/or invested in first-lien leveraged loans as well as first-lien secured high-yield bonds and Onex Credit may seek additional return by selectively purchasing exposure to and/or investing in second lien leveraged loans as well as unsecured high-yield bonds. Clients following this strategy may also invest opportunistically in special situations. These clients may purchase exposure through the use of derivatives and swaps and may invest directly (or by participation) in syndicated loans, high-yield debt and stressed and distressed bank debt. Clients following this strategy will hold only long positions and therefore will have a long-only exposure to the market for senior obligations. For certain clients following this strategy, Onex Credit will use leverage in amounts Onex Credit deems prudent for such clients.
 - High-Yield – Onex Credit seeks to achieve its investment objective for clients following this strategy by purchasing a portfolio consisting primarily of corporate fixed income instruments of North American issuers, including high-yield bonds (senior secured and senior unsecured), senior floating rate loans of varying maturities and other floating rate fixed income securities.
- *Opportunistic Credit* – Onex Credit seeks to achieve its investment objective for clients following this strategy primarily by employing a flexible investment mandate that can execute on both secondary trading opportunities and private/originated transactions. Clients following this strategy generally will not be restricted with respect to ratings, asset class or liquidity of investment opportunities. Onex Credit has used and, in the future, may use leverage for certain clients following this strategy.
- *Direct Lending* – Onex Credit seeks to achieve its investment objective for clients following this strategy primarily by investing in senior secured loans of private equity sponsor-owned portfolio companies and selectively other family-owned and corporate borrowers. Clients following this strategy invest primarily in senior secured loans and other loan investments of companies in less cyclical and less capital-intensive industries predominantly in the United States and, selectively, in Canada and Europe. Onex Credit uses leverage in this strategy in accordance with the applicable client's Governing Documents.

Material Risks

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear those risks. The transactions in which the Funds engage involve substantial risks and are suitable only for those investors who have the financial sophistication and expertise to understand and accept such risks. No assurance can be given that the investment objectives of the Funds will be achieved or that investors will receive a return of or will realize a profit on their investments in the Funds.

Prior to committing to any Fund, potential investors are furnished with a confidential offering memorandum which sets forth in detail the material risks associated with such investment and cautions that returns can be unpredictable, that the possibility of a partial or total loss of capital will exist and that investors should not commit unless they can readily bear the consequences of such loss. All investors are required to represent in their subscription materials that they have carefully read the risk factor disclosure and understand all such risks. Prospective investors are also advised in the confidential offering memoranda that the risk factors and other investment considerations described therein are not necessarily a complete list or explanation of all risks involved and are advised to consult their own counsel and other advisors.

The following summary identifies the material risks related to Onex Credit's significant investment strategies and should be carefully evaluated before making an investment with Onex Credit; however, the following does not intend to identify all possible risks of an investment with Onex Credit or provide a full description of the identified risks. Not all of these risks apply to each strategy. Without limiting the foregoing or (i) the disclosure set forth in the Funds' offering documents and Governing Documents and (ii) the acknowledgements made by investors in their subscription agreements or otherwise, the discussion below summarizes certain of the material risks associated with investments in the Funds:

- *An Investment in a Fund Will Not be Suitable to All Investors* – An investment in certain of the Funds requires a long-term commitment with no certainty of return. Further, the terms of any realization transaction will necessarily be affected by economic and other market conditions at the time. An investment in a Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment, who understand that they could lose all or a significant portion of their invested capital and have the wherewithal to fund amounts due over time in respect of their capital commitments. Investors must be willing to bear the economic risk of an investment in a Fund for an indefinite period of time. Any investor interested in an investment in a Fund should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such an investment.
- *Restrictions on Transfer and Withdrawal; Lack of Liquidity for Interests* – There are restrictions both at law and in the Governing Documents on the transferability of Fund interests, and investors generally may not withdraw capital from a closed-end Fund and must provide notice to withdraw capital from an open-end Fund. Consequently, investors will likely not be able to liquidate their investments prior to the end of a closed-end Fund's term or without providing the applicable notice to an open-end Fund.
- *Changes in Environment* – The investment program of each closed end Fund is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which a Fund operates could undergo substantial changes, some of which could be adverse to such Fund. The general partner or manager of a Fund will have the exclusive right and authority (within limitations set forth in the Governing Documents of such Fund) to determine the manner in which a Fund responds to such changes, and investors in such Fund will have no right to withdraw or to demand specific modifications to such Fund's operations except in exceptional circumstances. Investment sourcing, selection, management and liquidation strategies and procedures exercised by the Onex Credit investment team may not be successful, or even practicable, throughout a Fund's term. Within the limitations set forth in the Governing Documents of such Fund, the general partner or manager of such Fund will have the right and authority to determine such Fund's investment sourcing, selection, management and liquidation strategies and procedures.

- *Dependence on Key Personnel* – The success of the Funds depends in substantial part upon the skill and expertise of Onex Credit’s investment professionals and the other individuals employed to assist them. There can be no assurance that these individuals will continue to be employed or engaged by Onex Credit or its affiliates. The loss of their services could have a material adverse effect on the success of the Funds.
- *Market Risks* – The profitability of a significant portion of the investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Onex Credit will be able to accurately predict these price movements. Although Onex Credit may attempt to mitigate market risk through the use of long and short positions (in those portfolios permitted to short) or other methods, there may be a significant degree of market risk.
- *Borrower-Specific Changes* – Changes in the financial condition of a borrower or counterparty, changes in specific economic or political conditions that affect a particular type of investment or borrower, and changes in general economic or political conditions can increase the risk of default by a borrower or counterparty, which can affect a security’s or other instrument’s value. The value of securities or loans of smaller, less well-known borrowers can be more volatile than that of larger borrowers. Smaller borrowers can have more limited product lines, markets, or financial resources.
- *Interest Rate Risks* – Generally, the value of fixed-income securities changes 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 is greater for long-term securities than for short-term securities.
- *Hedging* – There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Onex Credit has entered into and is permitted to enter into hedging transactions to seek to reduce risk, such transactions could result in poorer overall performance and increased (rather than reduced) risk for Onex Credit’s investment portfolios than if Onex Credit did not engage in any such hedging transactions.
- *Inflation* – Certain countries have experienced and continue to experience substantial, and in some periods extremely high, rates of inflation, which could continue in the future. Inflation and rapid fluctuations in inflation rates have had and continue to have negative effects on the economies and securities markets (both public and private) of certain countries in which the Funds may invest and may materially and adversely affect the Funds’ investment results.
- *Leveraged Investments* – Subject to any relevant restrictions in its Governing Documents, a Fund is permitted to make use of leverage by incurring or having a borrower or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Fund’s opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which

state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a borrower's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Onex Credit or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guarantees), such amounts are permitted to be secured by commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Performance can be more volatile if a client's account employs leverage. Leverage is inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Leveraged capital structures of investments will increase the exposure of certain investments to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investment. Ultimately, these factors could adversely affect the client's return on its investment.

- *Available Opportunities and Competitive Marketplace* – The Funds compete for investment opportunities with a significant number of other credit funds as well as with institutional and other investors. As a result of this competition, there can be no assurance that a Fund will be able to source suitable investment opportunities, to acquire them on appropriate terms, to achieve its targeted rate of return, or to fully invest its committed capital.
- *Accuracy of Third-Party Information* – Investments may be selected in part on the basis of information and data made available directly or indirectly by third parties or filed by third parties with various government regulators. The relevant Fund's general partner (or equivalent) and Onex Credit may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.
- *Financial Fraud* – Instances of fraud and other deceptive practices committed by senior management of borrowers in which a Fund invests could undermine Onex Credit's due diligence efforts with respect to such companies and, if such fraud occurs, negatively affect the valuation of a Fund's investments. In addition, when discovered, financial

fraud could contribute to overall market volatility that can negatively impact a Fund's investment program.

- *Expedited Transactions* – Investment analyses and decisions by Onex Credit could be undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, the information available to a Fund at the time of an investment decision may be limited, and that Fund may not have access to the detailed information necessary for a full evaluation of the investment opportunity.
- *Uncertainty of Financial Projections* – Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results could vary significantly from the projections. General global economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.
- *Early Termination of a Fund* – It is possible that a Fund could be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and could be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in investors not having their capital invested and/or deployed in the manner originally contemplated).
- *Investments Longer than Term* – A Fund could make investments that may not be advantageously disposed of prior to the date such Fund will be dissolved, either by expiration of such Fund's term or otherwise. There can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.
- *Secondary Transactions* – Onex Credit could propose to a Fund's limited partner Board of Advisors or investors one or more transactions that would enable such investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle (each such transaction, a "Secondary Transaction"). Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Onex Credit believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Onex Credit and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant borrower will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant general partner to the extent of its right to receive carried interest, if any), effectively diluting their interests. The sale of an investment to a continuation vehicle could result in certain investors, the general partner and/or members of the Onex Credit

team (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all investors of such Fund and otherwise taking actions with respect to such investments that are different than the actions taken by other investors. Onex Credit could be subject to other conflicts of interests in connection with a Secondary Transaction, including with respect to investment valuations, allocation of fees and expenses and the offering of investment opportunities to the Funds and co-investors.

- *Distributions in Kind* – Although, under normal circumstances, the Funds intend to make distributions in cash, cash equivalents or marketable securities, it is possible that under certain circumstances (including upon the dissolution of a Fund) distributions have been and could, in the future, be made in kind and could consist of securities for which there is no readily available public market.
- *Reinvestment* – Under certain circumstances, proceeds distributable (or previously distributed) to the investors that constitute a return of capital contributions have been and, in the future, may be retained and reinvested (or recalled for reinvestment) by a Fund or used (or recalled for use) by a Fund for any other proper purpose. Amounts available for recall will be restored to the investors' respective unfunded Commitments. Accordingly, investors could be required to contribute capital for investments, management fees or expenses during a Fund's life in an aggregate amount that significantly exceeds such investors' commitment to such Fund.
- *Recourse to a Fund's Assets* – A Fund's assets, including its investments and any capital held by such Fund, are generally available to satisfy all liabilities and other obligations of that Fund. If a Fund itself becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to that Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.
- *Indemnification* – Pursuant to the terms of the Governing Documents, Onex Credit and certain of its affiliates and related persons will generally be entitled to indemnification from a Fund, which might ultimately have to be funded by Fund investors and could even result in an obligation to return distributions.
- *Risks Relating to Admission of Benefit Plan Investors to the Funds* – It is possible that the assets of a Fund could be deemed to constitute "plan assets" of investors which are subject to the fiduciary provisions of the U.S. Employee Retirement Income Security Act or the prohibited transaction rules of Section 4975 of the Internal Revenue Code. In that case, the operations of a Fund could be materially affected and transactions into which that Fund might enter in the ordinary course of business could be deemed to constitute prohibited transactions under such laws.
- *Lack of Diversification* – Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios may be subject to more rapid change in value than would be the case if Onex Credit were required to maintain a wider diversification among types of securities and other instruments.
- *Currency Risk* – Although the functional currency of many of the Funds is United States dollars, the Funds have made and from time to time could make investments using currencies other than United States dollars. The value of the investments made by the

Funds may fluctuate as a result of the impact of economic and political changes on currency exchange rates. Certain Funds (or classes or series of interests within one or more Funds) have functional currencies other than United States dollars and Funds may offer non-United States dollar interests. Funds have engaged and, in the future, may engage in hedging to address risks in large price changes for such other currencies.

- *Mandatory Withdrawal* – A Fund investor could be required to withdraw from a Fund prior to the termination and liquidation of that Fund if Onex Credit determines that continued participation could materially adversely affect that Fund or in certain other circumstances as further described in the relevant Governing Documents (for example, by causing a Fund to be registered as an investment company under the Investment Company Act or causing a Fund’s assets to be treated as plan assets). Fund investors required to withdraw early under these circumstances could suffer a diminution of return or material loss on its investment.
- *Public Disclosure Obligations* – Certain affiliates of Onex Credit and/or borrowers of a Fund’s investments may be publicly-traded companies. Public company status could give rise to disclosure obligations in respect of a Fund or its operations or investments, which could result in the disclosure of information that would otherwise be considered confidential. There could be additional disclosure obligations imposed by applicable law or regulation in respect of Onex Credit, the Funds, their affiliates, or Fund investors that could be viewed by any particular Fund investor as adverse.
- *Freedom of Information Act* – The general partners (or equivalents) of a Fund or Onex Credit has withheld and could, in the future, withhold all or any part of the information otherwise to be provided to a Fund investor under certain circumstances in order to prevent public disclosure of such information under the Canadian Access to Information Act, the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state, provincial or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.
- *Legal, Tax and Regulatory Risks* – The regulatory considerations affecting the ability of a Fund to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses. In addition to the risks and complications arising under applicable tax laws and other laws specifically addressed in the Funds’ confidential offering memoranda or Governing Documents, further legal, tax and regulatory circumstances could arise during the term of a Fund that could adversely affect a Fund or its investors.
- *Sanctioned Investors* – If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities (a “Sanctions List”), the relevant general partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund’s activities, could materially and adversely affect the Funds.

- *Other Regulatory Concerns* – The Funds are not required to be, and are not, registered as investment companies under the Investment Company Act; thus, its provisions are not applicable. Onex Credit intends that the Funds and their activities will not become subject to that statute but should that nonetheless occur, the activities and performance of the Funds could be materially adversely affected. Neither Onex Credit nor its counsel can assure investors that the Funds may not become subject to such regulation. In addition, Section 13 of the Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder, the “Volcker Rule”), generally prohibits certain “banking entities” from engaging in proprietary trading, or from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with “covered funds”, unless pursuant to an exclusion or exemption under the Volcker Rule. Each purchaser of the interests of the Funds must make its own determination as to whether it is subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain any such interests. Investors in the interests of the Funds are responsible for analyzing their own regulatory position and none of the Funds or any of their affiliates make any representation to any prospective investor or purchaser of such interests regarding the treatment of the Funds under the Volcker Rule, or to such investor’s investment in the interests of the Funds on the date of issuance or at any time in the future. The general partners (or equivalents) of the Funds and/or Onex Credit operate pursuant to an exemption from registration with the CFTC as a CPO under CFTC Rule 4.13(a)(3); consequently, the CFTC and the National Futures Association (“NFA”) have not reviewed or approved the Funds’ confidential offering memoranda or any offering memoranda for the Funds.
- *Regulatory Status* – Onex Credit is registered as an investment adviser pursuant to the Advisers Act and, as such, is subject to the provisions of the Advisers Act. Failure to comply with the requirements imposed on Onex Credit as a consequence of its current registrations or requirements that could be imposed as a result of future registrations may have a significant adverse effect on Onex Credit’s ability to perform its duties to the Funds. Onex Credit’s ability to source and execute transactions for the Funds could also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to Onex Credit, any affiliate of Onex Credit or any of their respective investment professionals.
- *Changes in Applicable Law* – The Funds must comply with various legal requirements, including requirements imposed by laws governing anti-money laundering, bribery and corruption, securities, commodities, tax and pensions. A failure to satisfy the requirements of those laws or changes in the applicable law over the life of a Fund or of any of its investments could have material adverse consequences on that Fund and/or its investors. In recent years, the SEC has increased its scrutiny of the private fund industry, including conducting numerous examinations and bringing a number of enforcement actions against private fund managers. Changes in law or regulations could adversely affect the value of investments held (directly or indirectly) by clients, could affect the ability of clients to pursue their investment strategies, or could restrict or prevent Onex Credit from continuing to perform services for clients in the manner currently contemplated. The SEC has also more recently proposed a number of new rules and regulations that, if finalized, would prohibit certain practices that have previously been addressed through disclosure and significantly expand the information disclosed to investors and the SEC. The effect of any future regulatory changes on Onex Credit, the

clients or their investments could be substantial and result in material amendments to the terms of the Governing Documents.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Onex Credit and the Funds. In particular the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Onex Credit and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

- *Withdrawal of the United Kingdom from the European Union* – The United Kingdom (“UK”) withdrew from the European Union (“EU”) on January 31, 2020 (“Brexit”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK’s future relationship with the EU were agreed to in a Trade and Cooperation Agreement (“TCA”), the TCA does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Funds and their investments, including the ability of the Funds to achieve their investment objectives. The legal, political and economic uncertainty and disruption generally resulting from Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of Onex Credit to manage, operate and invest the Funds, increased legal, regulatory or compliance burden for Onex Credit or the Funds, and may adversely affect both EU- and UK-based businesses, including Onex Credit and Fund portfolio companies, as applicable, each of which could have a negative impact on the operations, financial condition, returns or prospects of the Funds.

- *Global Economic Conditions; Market Dislocation* – General global economic conditions may affect the Funds’ activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Funds. Market conditions affecting, for example, liquidity and volatility, credit availability and financial conditions generally, could change at any time. These changes could have a material adverse effect on the ability of Onex Credit to complete the Funds’ investment programs

and to realize on investments, on the terms of those investments, or on the business, operations, condition or prospects of the borrowers. National and global market and economic conditions could deteriorate during the term of the Funds, and such conditions could deteriorate materially and for an extended period of time.

- *Banking System Volatility* – In March of 2023, the failure of Silicon Valley Bank (“SVB”) and Signature Bank prompted the U.S. Federal Deposit Insurance Corporation (the “FDIC”) to take swift measures with respect to receivership and subsequent sales of their respective assets. At the time of their failures, SVB and Signature Bank were, respectively, the second and third largest bank failures in U.S. history. Shortly after these events, Credit Suisse experienced significant declines and announced it would undergo an emergency take-over by UBS. Following these high-profile events, the share prices of several other U.S. and non-U.S. banks experienced significant declines or sell-offs, with several being placed on “watch lists,” suffering ratings downgrades and/or receiving emergency funding from governments. At this time, it is not clear if there will be additional bank failures.

The closing of SVB and Signature Bank will negatively impact the availability of certain financial services to their respective former clients, which includes certain affiliates of Onex Credit and could include Onex Credit, a Fund, a obligor of an investment made by a Fund, or service providers and may require former clients to establish new bank relationships. These closures, and any additional closures that may occur within the banking system, could significantly increase Onex Credit’s or a Fund’s costs, negatively impact a Fund’s ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert Onex Credit’s time, attention and resources away from the pursuit of a Fund’s investment strategy. In the event of failure of any of the financial institutions where Onex Credit, a Fund general partner, a Fund or any obligor of an investment of a Fund maintains its respective cash and cash equivalents, there can be no assurance that each would be able to access uninsured funds in a timely manner or at all. Ordinarily, Onex Credit, the Fund general partner, the Fund and the obligors will be unsecured creditors with respect to cash and cash equivalents held with such institutions in excess of insured deposit limits, and therefore may be exposed to a credit risk. Furthermore, the Fund may be unable to call capital from its limited partners until it sets up a new deposit account at a different institution (which could be a time-consuming process and may be prohibited by the terms of such Fund’s then-existing credit facilities). If Onex Credit, the Fund general partner, the Fund or the obligors have credit facilities and deposit accounts provided by the same financial institution, and such institution fails, the Fund could be required to make more frequent capital calls to limited partners and Onex Credit, the Fund and portfolio companies could face significant difficulties in funding any near-term obligations they have. Furthermore, these closures, and any additional closures that may occur within the banking system, may also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties and their major customers that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, the closing of SVB and Signature Bank could significantly exacerbate the normal risks associated with a Fund and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. Furthermore, the closing of SVB and Signature Bank could lead to financial system and participant regulatory reform, and such increased regulatory

oversight could impose additional administrative burden on Onex Credit, the general partner and a Fund. The foregoing could materially adversely impact a Fund's operations and its ability to realize its investment objectives in a timely manner, and it is currently unclear what the ultimate effect of the situation will be on the investment management industry and global markets as a whole.

- *Diseases, Epidemics and Pandemics* – The impact of disease and epidemics could have a negative impact on a Fund and its investments, each of its respective affiliates, and the performance and financial position of each of the foregoing. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19 have resulted in historic market disruptions and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives.
- *Business Continuity Plans* – In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, Onex Credit, in conjunction with the broader Onex organization, will initiate its business continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and investment and investor needs. Onex Credit is not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of its plan to succeed in a time of crisis. Thus, its business continuity plan could be insufficient to continue operating Onex Credit's business as usual in light of such unforeseen circumstances. Any insufficiency in the business continuity plan could cause interruptions in the operations of Onex Credit, the Funds and their investments, and/or each of their respective affiliates.
- *International Conflicts* – Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their ultimate effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of a Fund or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. This impact could include reductions in future revenue and growth of obligors, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of a Fund to source, diligence and execute new investments and to manage and exit investments in the future. Developing and further governmental actions (military or otherwise) could cause additional disruption and constrain or alter

existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives.

- *Climate Change Laws and Regulations Restricting Emissions of Greenhouse Gases* – In response to published findings that emissions of carbon dioxide, methane and other greenhouse gases (“GHGs”) present an endangerment to public health and the environment, the Environmental Protection Agency (“EPA”) has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration (“PSD”) construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect an investee's operations. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis.

In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that could be inconsistent with the administration's policies. In March 2024 the SEC adopted rules intended to enhance and standardize climate-related disclosures by public companies, including disclosure of GHG emissions. In addition, Congress has considered legislation to restrict or regulate emissions of GHGs. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives could seek to address GHG emissions issues. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that could be adopted to address GHG emissions would impact a Fund's investment program, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, an investee's operations could require it to incur costs to reduce or report emissions of GHGs. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere could produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on the operations of Onex Credit, the Funds, and their investees.

- *Regulatory Changes* – A company in which the Funds invest could be materially and adversely affected as a result of new laws or regulations, or statutory or regulatory changes or changes in judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company, the markets in which such company operates or such company's industry generally. Such changes could materially and adversely affect the performance of one or more of the Funds' investments. Moreover, additional regulatory approvals and permits, including renewals, extensions, transfers, assignments, reissuances or similar actions, could become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s), or for other reasons. Changes in laws and regulations could

result in increased compliance costs, additional capital expenditures or unanticipated liabilities. An investee also could be materially and adversely affected by regulations that have been vacated, remanded or otherwise limited by court decisions, which creates considerable uncertainty as to how these regulations will be modified and/or ultimately implemented. Any such modifications could alter the competitive landscape and/or the nature of the markets in which an investee operates in a material and adverse manner to such investee.

- *Investors Will Not Participate in Management of the Funds* – Investors in the Funds generally will not have the right to participate in the management of the Funds or in decisions made by Onex Credit with respect to a Fund on its behalf. As a result, investors will have almost no control over their investments in a Fund or their prospects with respect thereto.
- *Limited Access to Information* – Investors’ rights to information regarding the Funds will be specified, and strictly limited, in the Governing Documents, although certain investors have the right to additional information pursuant to rights in side letters or similar agreements. In particular, it is anticipated that Onex Credit and its affiliates will obtain certain types of material information related to a Fund’s investments and prospective investments that will not be disclosed to investors because such disclosure is prohibited by contractual, legal or other obligations or Onex Credit determines not to disclose such information for other reasons. Decisions to withhold information could have adverse consequences for investors in a variety of circumstances. Additionally, it is expected that investors who designate representatives to participate on a Board of Advisors to certain funds may, by virtue of such participation, have more information about a Fund and investments in certain circumstances than other investors generally and may be disseminated information in advance of communication to other investors generally. In addition, due to the fact that existing or potential investors in a Fund could ask different questions and request different information, Onex Credit could provide certain information to one or more existing or prospective investors that it does not provide to all prospective investors.
- *Lack of Registration under the U.S. Securities Exchange Act of 1934* – Onex Credit is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or with the Financial Industry Regulatory Authority and is consequently not subject to the recordkeeping and specific business practice provisions of those statutory regimes to the extent they vary from the applicable provisions of the Advisers Act.
- *Special Risks Associated with Offshore Investments* – Certain Funds have invested and, in the future, could invest a portion of their capital in borrowers that are headquartered and have their principal operations outside the U.S., Canada and Western Europe. These investments could involve economic, political, market, currency, legal, tax-related and other special risks not typically associated with investments in securities of U.S., Canadian or Western European borrowers.
- *Difficulty in Valuing Investment Portfolio* – The valuation of a Fund’s portfolio of Investments, which will affect the Fund’s performance results, involves uncertainties and subjective determinations. As a result, valuation of a Fund’s Investments may not reflect the price at which a Fund could dispose of its investments at any given time. The process

of valuing Investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values could differ from values that would have been determined had a ready market existed for such Investments and could differ from the prices at which such securities could ultimately be sold. Because Onex Credit determines in its discretion the value of certain Fund assets, potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on a Fund's performance, particularly with respect to an account that pays performance fees.

- *Amendment to the Governing Documents* – The Governing Documents of the Funds will typically provide that the general partner (or equivalent) of a Fund could amend the Governing Documents in certain circumstances without the approval of any investors. Any such amendments could have an adverse effect on some or all of the investors.
- *Anti-Corruption Laws* – Onex Credit, the Funds and/or borrowers could be subject to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act and other anticorruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations (collectively, the “Anti-Corruption Laws”). Any determination that Onex Credit, the Funds and/or any borrower has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect Onex Credit, the Funds and/or the borrowers.
- *Applicability of EU law in the UK* – As a result of a withdrawal from the EU by the UK, and subject to agreement on the terms of any future UK-EU relationship, EU law (or its incorporated equivalent) may cease to apply in the UK in the future. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. As a result, depending on the terms of the UK's future relationship with the EU, substantial amendments to English law may occur. At this time it is not possible to predict the consequential impact of such changes on the Funds or their investments, business, financial condition, results of operations or prospects, or whether such consequential impact will be materially detrimental to investors.
- *The AIFMD and the UK AIFMR* – The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit (“UK AIFMR”), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the “AIFMD”), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs (as defined in the AIFMD) to professional investors who are domiciled or have a registered office within the European Economic Area (the “EEA”) or the UK, as applicable. The UK AIFMR currently imposes compliance obligations that are broadly similar to those described below in connection with a non-EEA AIFM marketing a non-EEA AIF.

For these purposes certain of the Funds are non-EEA and non-UK AIFs and Onex Credit is a non-EEA and non-UK AIFM. As a non-EEA entity, Onex Credit is required to comply with the national private placement regimes in those EEA member states that allow private placement and in which interests in a Fund are marketed and sold. Compliance with these requirements may result in significant additional costs over the

life of the Funds and could reduce returns to investors. In addition, Onex Credit relies on third party AIFMs to manage certain of its AIFs from time to time. Onex Credit and its affiliates and agents have endeavored to comply with these rules as interpreted, but there is not absolute certainty as to their successful compliance. In the event that Onex Credit or any of its affiliates or agents, including any third party AIFMs, is found to have breached the provisions of the AIFMD (inadvertently or otherwise), such parties (and/or a Fund indirectly) could face regulatory sanctions and/or EEA investors could seek to rescind their interests, which would result in significant costs and ultimately materially and adversely affect such Fund.

- *EU and UK Regulatory Risks Relating to Investments in CLOs* – The EU (and separately the UK following Brexit) have adopted regulations/directives that require certain institutional investors (including, AIFMs) to satisfy due diligence requirements prior to making an investment in transactions constituting securitizations (together, the “EU and UK Risk Retention and Due Diligence Requirements”).

“Securitization” under the EU and UK securitization regulations (the “Securitization Regulations”) is broadly defined. CLOs, CBOs and other traditional securitizations fall within the definition, but so do other non-securities related transactions involving the “tranching” of credit. Certain Funds intend to invest in securitizations as defined under the Securitization Regulations.

“AIFM” in the Securitization Regulations is also broadly defined and it is unclear if any manager of a Fund falls within the definition. If a manager of a Fund is determined to be an AIFM and any investment made by a Fund is determined to be a securitization in relation to which the AIFM has failed to comply with the requirements of AIFMD or the Securitization Regulations, such failure could have an adverse effect on the performance of any Fund.

- *Environmental, Social & Governance (“ESG”) Matters* – ESG matters have been the subject of increased focus by regulators in the US and EU, among other jurisdictions. While Onex Credit strives to implement ESG practices, there can be no assurance that Onex Credit will be able to identify all ESG issues or will be able to successfully implement its ESG policies. The use of ESG metrics in the investment process could be subjective and are not subject to uniform standards, and, as such, there is no guarantee that Onex Credit will be able to accurately assess and measure the ESG risks and ESG compliance of a Fund’s investments and/or potential investments. ESG-based exclusionary criteria could result in a Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria could affect a Fund’s investment performance and, as such, a Fund could perform differently compared to similar funds that do not use such criteria. Additionally, it should not be assumed that any ESG practices or standards will apply to every investment in which a Fund invests or that they have applied to all of a Fund’s prior investments. ESG is only one of many considerations that Onex Credit takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that Onex Credit applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments.

Accordingly, certain investments could exhibit characteristics that are inconsistent with the practices or standards described herein.

- *Data Privacy Risk* – The General Data Protection Regulation (“GDPR”) governs the processing of personal data and is directly applicable in all EEA member states. The GDPR has been imposed into UK law as the UK General Data Protection Regulation (“UK GDPR”) and sits alongside the UK Data Protection Act 2018 (together the “UK DP Laws”). To the extent that Onex Credit actively offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK, Onex Credit will be: (i) deemed to be a “controller” ; (ii) required to comply with the GDPR, UK DP Laws and any applicable local derogations; and (iii) subject to certain rules with respect to cross-border transfers of personal data from the EEA and the UK.

For non-compliance, the GDPR imposes fines of up to €20 million (£17.5 million) or 4% of a company’s total worldwide annual turnover of the preceding financial year, whichever is higher. In relation to any alleged non-compliance, Onex Credit could therefore incur additional costs, become subject to regulatory investigations or fines, face civil claims (including representative actions and class action type litigation) and experience serious reputational damage - all of which could affect how Onex Credit conducts its business reducing capital and time that can be deployed for making investments.

- *Changes to Benchmark Rates* – To the extent that a Falcon Fund’s investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate (“LIBOR”), Secured Overnight Financing Rate (“SOFR”) or other rates (each, a “Benchmark Rate”), the Falcon Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

With respect to investments made or to be made by a Fund in underlying CLOs, there is a risk of interest rate mismatch where the Benchmark Rates on the underlying portfolio of assets may differ from the Benchmark Rates applicable to the debt obligations issued by such underlying CLOs. In addition, some of the CLOs or other vehicles in which a Fund may invest may have a limited ability to change from LIBOR to a new rate, or may only be able to change to a rate that may not match the rate adopted by their underlying investments. Even if such vehicles are permitted to modify their rates, there is no assurance that such vehicles will make any such changes. Any such rate changes or resulting mismatches could result in negative implications for a Fund’s investments.

- *Natural Disasters, Geopolitical Events and Similar Dislocations* – Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which can have a materially

adverse effect on borrowers and other developing economic enterprises in such country. Also, geopolitical events and the fear of a prolonged global conflict can result in increased short-term economic volatility. Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, major disruptions in credit markets and uncertainties relating to sovereign debts and economic stability or other sources of political, social or economic unrest. Such erosion of confidence could lead to or extend a localized or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities, result in longer holding periods for investments and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. The effects geopolitical events, military action or similar events on global and domestic economies and securities markets cannot be predicted. Such disruptions of the global financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to a Fund's investments.

- *General Partner Carried Interest* – The existence of incentive fees, carried interest or performance allocations with respect to certain Funds may create an incentive for Onex Credit or its affiliates to make riskier or more speculative investments on behalf of such Funds than they might otherwise make in the absence of these arrangements. In addition, the terms applicable to incentive fees, carried interest distributions or performance allocations could incentivize Onex Credit and its affiliates to make decisions regarding the timing and structure of realizations of investments that may not be in the best interests of the Funds. Further, Onex Credit or its affiliates could be incentivized to hold on to investments that have poor prospects for improvement in order to receive, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future. Under the recent U.S. tax reform bill, in order for gains that are attributable to Onex Credit or an affiliate's incentive fee or carried interest distribution to qualify as long-term capital gain, the holding period for the asset giving rise to such gains generally must exceed three years. For the investors in a Fund, gains in respect of assets held for more than one year may qualify as long-term capital gain. Long-term capital gain recognized by non-corporate U.S. taxpayers may be subject to U.S. federal income tax at preferential rates. These disparate holding period requirements could give rise to conflicts of interest. Onex Credit could have an incentive to take actions intended to maximize the amount of gains from assets held for more than three years, even though Fund investors may not derive any additional U.S. federal income tax benefit from the longer holding period.
- *Use of Subscription Lines* – The Funds have funded and, in the future, may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. Conflicts of interest have the potential to arise in that, while the interest expense and other costs of any such borrowings will be borne by the applicable Fund and, accordingly, may decrease net returns of such Fund, the use of such borrowings typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of Onex Credit and its affiliates. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such

investments, are actually made to the applicable Fund, and the use of such borrowing increases the likelihood that any hurdle or preferred component in the Fund's carried interest arrangements will be met. In light of the foregoing, and because Management Fees are incurred whether an investment is financed through capital calls or borrowings, Onex Credit has an incentive to cause such vehicle to borrow in this manner and make investments or pay such amounts using a subscription line in lieu of drawing down capital commitments, subject to the Governing Documents of each Fund. In addition, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.

- *Allocation of Personnel* – Conflicts could arise in the allocation of time, services and function among the Funds and such other persons to which Onex Credit, the Principals or their affiliates provide services.
- *Tax Liability* – Although the relevant confidential offering memoranda seek to address the reasonably identifiable and material tax considerations for potential Fund investors, it is possible that investors may have unexpected or unwelcome tax obligations as a result of a Fund's activities or their status or actions in respect thereof.
- *Material Non-Public Information* – Certain personnel of Onex Credit have acquired and, in the future, may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- *Limited Remedies Against the General Partner* – There can be no assurance that adequate remedies will be available to any investors if the general partners of the Funds, Onex Credit or the principals of the general partners of the Funds or Onex Credit fail to perform their respective duties, and the Governing Documents do not afford the investors rights to remove a Fund's general partner other than upon a supermajority vote or for specified cause events as described in the applicable Governing Document. The Governing Documents include provisions for exculpation and indemnification of the general partners, Onex Credit and each of their respective affiliates and the members, partners, managers, officers, directors, shareholders, employees, agents, representatives, investors, affiliates, advisors and other personnel of the general partners, Onex Credit and their respective affiliates. Therefore, Fund investors could have more limited rights of action than they would have absent such limitation.
- *Cybersecurity Incidents* – Cybersecurity incidents and breaches and cyber-attacks have been occurring globally at a more frequent and severe level, and are expected to continue to increase in frequency and severity in the future. The information and technology systems of Onex, Onex Credit and of key service providers for the foregoing may be vulnerable to damage or interruption from computer viruses, ransomware, 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, communication or other service outages and

catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Onex Credit, a Fund or an obligor will likely have to make a significant investment to fix or replace them or remedy effects of such failures. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Onex Credit or the Funds and result in a failure to maintain the security, confidentiality or privacy of information, including sensitive, personal and non-public information relating to investors (and the beneficial owners of investors), intellectual property and trade secrets. Further, if unauthorized parties gain access to information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify such information.

Cyber incidents such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified in a timely manner or at all, even with sophisticated prevention and detection systems. This could potentially result in further harm and prevent such incidents from being addressed appropriately. Although Onex Credit has implemented various measures to manage risks relating to cyber incidents, Onex Credit does not control the cyber security measures, plans and systems put in place by third-party service providers, and such service providers may have limited indemnification obligations to Onex, Onex Credit, a Fund, and/or their respective affiliates, each of whom could be negatively impacted as a result. Cyber incidents and system failures could harm Onex Credit or the Funds' reputation, subject them and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy, security or other laws, lead to adverse publicity and otherwise affect their business and financial performance. Although Onex Corporation and Onex Credit take various measures and has made, and will continue to make, efforts to ensure the integrity of information systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and efforts will provide adequate protection. Despite security measures, information technology networks may be vulnerable to attacks by third parties or breached due to employee error, malfeasance or other disruptions.

- *Risk Management Failures* – Although Onex Credit attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Onex Credit, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, Onex Credit may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.
- *Systems and Operational Risk* – Onex Credit relies on certain financial, accounting, data processing and other operational systems and services that are employed by Onex Credit and by third party service providers, including prime brokers, third-party administrators, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems could be subject to certain defects, failures or interruptions. For example, Onex Credit and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other

similar disruptions in the clients' operations. In addition, despite certain measures established by Onex Credit and third-party service providers to safeguard information in these systems, Onex Credit, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which could result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions could lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

The following summary identifies the material risks related to the type of investments that are typically made for clients by Onex Credit and should be carefully evaluated before making an investment with Onex Credit; however, the following does not intend to identify all possible investments that may be made, or all possible risks related to such investments. Not all of these risks apply to each strategy. The following is not meant to supersede the material contained in the Governing Documents of each client that is a private pooled vehicle and investors and potential investors in a private pooled vehicle should refer to the Governing Documents of such vehicle for a further discussion of the applicable risks.

- *Leveraged Loans* – Leveraged loans have historically experienced greater default rates than has been the case for investment grade loans. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans and such loans may be subject to a higher risk of default. The ultimate amount of defaults with respect to such loans and timing of the recoveries may substantially diminish the expected investment returns achieved by clients investing in such loans. In addition, leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost.
- *Non-Investment Grade Loans* – A non-investment grade loan or an interest in a non-investment grade loan as well as certain preferred equities are generally considered speculative in nature and may default for a variety of reasons. Defaulted loans may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. The liquidity for defaulted loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.
- *Preferred Stock and Other Equities* – The Funds may invest in preferred stock which may have characteristics of both debt and equity. Dividend payments to preferred stockholders may be suspended or cancelled if the issuer experiences liquidity difficulties and the principal paid for preferred stock is generally subordinate to the debt obligations of the

issuer. Preferred stocks are not generally entitled to meaningful covenant protection. Additionally, some preferred stocks may be non-cumulative, which means that the issuer does not ever have to declare or pay dividends on the stock or make-up any missed dividends. Also, when the Funds invest in senior secured loans or mezzanine loans, equity securities may be acquired as part of the transaction. The Funds may also invest directly in equity securities, typically with a goal of ultimately disposing such equity interests and realizing gains upon disposition. However, the equity interests may not appreciate in value and, in fact, may decline in value. Accordingly, the Funds may not be able to realize gains from equity interests, and any gains that are realized on the disposition of any equity interests may not be sufficient to offset any other losses experienced.

- *Second Lien Loans and Unsecured Loans* – Second lien loans are subordinate to the senior secured debt of the related borrower in right of payment from the proceeds of the liquidation of the property securing such second lien loans. Therefore, second lien loans are subject to additional risks that the cash flows of the property securing such second lien loans may be insufficient to make the scheduled payments after giving effect to any senior secured debt of the related borrower. Such lien subordination is also expected reduce the liquidity of second lien loans vis-à-vis senior secured loans. Unsecured loans are not secured obligations and do not have the benefit of a pledge of property. The absence of a security interest may make unsecured loans more illiquid investments than either senior secured loans or second lien loans and is likely to result in lower recoveries following a default.
- *Covenant-Lite Loans* – Loans that Onex Credit invests in on behalf of its clients include loans that are considered “covenant-lite” loans, meaning they lack the protective covenants usually found in more traditional loan facilities and are generally subject to less restrictions on collateral, payment terms and level of income. A covenant-lite loan borrower is not typically subject to maintenance covenants requiring such borrower to comply with one or more financial covenants whether or not such borrower has taken any specified action. Ownership of covenant-lite loans may expose Onex Credit’s clients to different and increased risks, including with respect to liquidity, price volatility, and the ability to restructure such loans when compared to ownership of loans that are subject to maintenance covenants and other protective covenants.
- *High-Yield Securities* – High-yield securities include “high-yield” bonds and preferred securities that are not investment grade. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of interest or dividends than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated 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 the securities.
- *Commercial Loans and Loan Participations* – Commercial loans and loan participations include investments in syndicated, commercial bank loans, whether acquired through assignment or participation. Participation interests may limit the client’s ability to

exercise its rights against a borrower and entail certain contractual relationships among the lender and the lending group which could be disadvantageous to the client.

- *Opportunistic Credit* – Subject to restrictions set forth in the applicable Governing Documents, certain Funds will have broad and flexible investment mandates, and may hold a portfolio of investments that could include, without limitation, distressed/defaulted debt instruments and securities, mezzanine investments, preferred stock, convertible securities, options and warrants, capital structure arbitrage investments, zero coupon and PIK bonds, equity investments, credit derivatives, total return swaps, structured products, CLOs, investments in publicly traded companies and a wide variety of other investments and investment strategies. Each of these investments has unique characteristics that involve correlated and uncorrelated risks and investors and potential investors should refer to the Governing Documents of such Funds for further information regarding such risks.
- *Troubled Companies and Special Situations* – Certain fund may invest in special and event-driven situations and/or high-risk or troubled companies. These investments typically involve a substantial degree of risk. For example, Funds making investments in troubled companies may be required to accept cash or securities with a value less than their investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time and may be subject to significant litigation risks. Investments in companies involved in actual or anticipated special situations (e.g., acquisitions, spin-offs, reorganizations and liquidations, tender offers and bankruptcies) are often highly speculative and could subject a Fund, directly or indirectly, to certain additional potential liabilities.
- *Derivatives* – Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments can involve a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or Onex Credit.
- *Cash and Cash Equivalents* – The Funds have held and, in the future, may hold cash and cash equivalents at any given time during its term. Available cash and cash equivalents may be held in interest-bearing accounts, funds managed by third-party financial institutions or other similar instruments. The Funds' access to their invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, and the Funds are subject to the risk that they may lose assets in connection with bank or other financial institution failures. The balances of accounts with third-party financial institutions can be expected to exceed the Federal Deposit Insurance Corporation insurance limits, or the limits of the deposit insurance regimes of other applicable jurisdictions, as applicable. While the Funds will make efforts to monitor the cash balances in their operating accounts and adjust the cash balances as appropriate, these

cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occur.

- *Non-U.S. Securities* – Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. One or more of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.
- *CLO Investments* – The Funds have invested and, in the future, may invest in pools and tranches of CLO products (including “equity” or residual tranches) and other securitizations, which are generally limited recourse obligations of the issuer payable solely from the underlying assets of the issuer or proceeds thereof. Consequently, holders of equity or other securities issued by these issuers must rely solely on distributions on its underlying assets or proceeds thereof for payment in respect thereof. CLOs may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The underlying assets of issuers of CLOs may include, without limitation, broadly-syndicated leverage loans, middle-market bank loans, CBO debt tranches, trust preferred securities, insurance surplus notes, asset-backed securities, mortgages, REITs, high-yield bonds, mezzanine debt, second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks, and may also include assets and properties that are owned, directly or indirectly, by one or more other accounts. The aggregate return on CLO equity securities will depend in part upon the ability of each investment manager to actively manage the related portfolio of the assets of such issuers of CLOs.

Certain of the Funds’ investment strategies with respect to certain types of investments may be based, in part, upon the premise that certain investments (either held directly or through a CLO) that are otherwise performing may from time to time be available for purchase by the relevant Fund at “undervalued” prices. Purchasing interests at what may appear to be “undervalued” or “discounted” levels is no guarantee that these investments will generate attractive risk-adjusted returns to the Fund or will not be subject to further reductions in value. No assurance can be given that investments can be acquired or realized at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of Onex Credit. In addition, there can be no assurance that current market conditions may not deteriorate during the life of the relevant Fund, which could have a materially adverse effect on the assets of such Fund. Actual or perceived trends in debt markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends.

- *Special Purpose Acquisition Companies (“SPACs”)* – Onex Credit or the Funds have provided and, in the future, may provide financing to or acquire the securities of one or more SPACs. A SPAC is a company that has no operations, but intends to merge with, acquire or otherwise invest in another company. Investing in such securities involves

considerations not usually associated with investing in securities of other types of companies, including, among other risks, the risk that a SPAC may not complete an investment in another company and be forced to liquidate its assets at a loss to Onex Credit or the Funds.

- *Future Investment Techniques and Instruments* – Subject to the Funds’ investment restrictions and other guidelines, the Funds may employ other investment techniques and invest in other instruments that Onex Credit believes will help achieve the Funds’ investment objectives, whether or not such investment techniques or instruments are specifically described in this Brochure or the Governing Documents. Such investments may be more speculative than existing investment strategies and techniques employed by Onex Credit on behalf of the Funds and may involve material and as-yet-unanticipated risks.

ITEM 9.
DISCIPLINARY INFORMATION

Neither Onex Credit nor any of its management persons have been subject to any legal or disciplinary events required to be discussed in this brochure.

ITEM 10.
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Onex Credit is affiliated with the following entities, including the general partners and equivalent entities formed and subject to the Advisers Act pursuant to Onex Credit's registration: ONCAP Management Partners L.P., Onex Canada Asset Management Inc. (f/k/a Gluskin Sheff + Associates Inc) ("OCAM"), Onex Capital Solutions GP, LP, Onex Credit Advisor, LLC, Onex Credit High Yield GP, LP, Onex Credit Lending Finance I Ltd, Onex Credit Partners GP, LLC, Onex Credit Solutions GP, L.P., Onex Credit Solutions Luxembourg GP, Onex Debt Opportunity Fund GP, LLC, Onex Evergreen Credit GP, L.P., Onex Falcon Investment Advisors, LLC, Onex Partners Manager LP, Onex Senior Credit GP, LLC, and Onex Structured Credit Opportunities I GP, LP.

Except as described below, neither Onex Credit nor any of its "management persons" have relationships or arrangements with related persons who are financial industry participants that are material to the business of Onex Credit or that create a material conflict of interest with the Funds or their investors.

Onex Credit and its related entities engage in a broad range of advisory and non-advisory activities. In the ordinary course of Onex Credit conducting its activities, the interests of a Fund likely will conflict with the interests of Onex Credit, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Onex Credit will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds under the Governing Documents.

Actual or perceived conflicts of interest may exist or could arise between Onex Credit and Onex Corporation and its affiliates. Onex Corporation has been a private equity investor since 1984, almost 20 years prior to the establishment of the first of the Funds. In 1999, Onex Corporation launched the first of the ONCAP funds, a series of private equity funds managed by ONCAP Management Partners L.P. and focused on investing in North American small and medium-sized businesses (the "ONCAP Funds"). The ONCAP Funds are active in the marketplace and the fourth and most recent ONCAP Fund to hold a final closing was raised in 2016. In 2003, Onex Corporation established the first of the Onex Partners funds, a platform focused on larger private equity transactions managed by Onex Partners Manager L.P., and subsequently raised four further Onex Partners funds (the "Onex Partners Funds"). In June 2019, Onex Corporation acquired control of OCAM, a large Canadian wealth management firm serving high net worth families and institutional investors with a focus on public securities investing. On March 23, 2023, Onex Corporation and RBC Dominion Securities Inc. ("RBC DS") entered into a memorandum of understanding, the key terms of which included: (i) RBC offering employment to all of OCAM's wealth management advisory and investment planning services terms, and (ii) RBC entering into a distribution agreement with Onex under which RBC would act as a distributor of certain funds managed by OCAM and other subsidiaries of Onex, the investment planning team has transitioned to RBC DS and a majority of OCAM's wealth management advisors have also transitioned to RBC DS or one of its affiliates. The parties have since finalized the distribution agreement on August 31, 2023. As a result of the distribution agreement and related transition, OCAM expects to wind down its wealth advisory and wealth planning divisions. In December 2020, Onex Corporation indirectly acquired control of Onex Falcon Investment Advisors, LLC f/k/a Falcon Investments Advisors, LLC ("Onex Falcon"), an investment adviser registered under the Advisers Act that provides advisory services to private investment funds (the "Falcon Funds") with a focus on private credit and structured equity investments in the lower middle market. In 2023, Onex Corporation established Onex Transportation Partners, a platform focused on transportation-

related assets used for land, air, marine, intermodal or industrial applications and/or operating companies that own, control, operate, manage or manufacture such assets or enable transportation through logistics, components and/or technology. Onex Corporation may in the future seek to expand its activities in real estate and credit, and may also seek to engage in additional investment or asset management businesses that are complimentary to its existing platforms.

Onex Credit personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or other similar arrangements, and to pay or receive compensation relating to the foregoing. The principals and Onex Credit's investment staff will continue to manage and monitor such funds and investments until their realization. Such funds and other investments that the principals expect to control or manage generally have the potential to compete with each other or with companies acquired by a Fund. Following the investment period of a Fund, the principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Onex Credit's sole discretion, Onex Credit and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Onex Credit personnel are permitted to serve on boards or act in other roles unaffiliated with Onex Credit, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees. Onex Credit and its principals and personnel are permitted to carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Funds, and can give advice and recommend securities to other accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same or similar.

Each of the Onex Partners Funds, the Falcon Funds, the ONCAP Funds, the Onex Transportation Partners platform and the other businesses described above have their own dedicated investment teams and typically pursue investment opportunities that are different in nature from those sought by Onex Credit for the Funds with limited overlap. In particular, the Onex Partners Funds, the ONCAP Funds and the Onex Transportation Partners platform, and other private equity strategies managed within Onex Corporation, including certain Falcon Funds, which have in the past and may in the future pursue private equity or structured equity transactions, typically pursue differentiated investment opportunities than those pursued by Onex Credit with regard to the investment objectives and restrictions of the Funds. Those affiliations and relationships, the potential avenues for the growth and development of the company business and its investment platforms, as well as the fact that more than one of the Funds may be a potential investor at any particular time, could lead or be perceived to lead to certain conflicts of interest around, among other things, the devotion of time and the allocation of investment opportunities. Further, it is possible that Onex Partners and the managers of other investment products advised by advisers controlled by Onex Corporation could seek to work together, with a view to the relevant fund from each fund family potentially investing together, in certain circumstances, as a result of, for example, industry expertise or relationships, prior investment experience or other factors in respect of the opportunity. Additionally, clients of affiliated advisers and investors in investment products advised by affiliated advisers of Onex Credit have been and, in the future, may be referred to clients advised by Onex Credit, and Onex Credit could from time to time refer Fund investors to investment products advised by affiliated advisers. Further, OCAM has established one or more feeder funds for its clients to participate in certain private funds managed by Onex Credit. Certain funds managed by OCAM may invest in the securities of issuers that otherwise fall within the mandate of the Onex Credit's Sub-Investment Grade Liquid Credit strategy. Although the Falcon Funds are currently separately managed by Onex Falcon, Onex Corporation will be indirectly allocated a portion of management fees and/or carried interest paid by investors in certain of the Falcon Funds.

Because the Funds are considered to be affiliates of Onex Direct Lending BDC Fund (“Onex BDC”), which has elected to be regulated as a business development company under the Investment Company Act, a Fund may be prohibited under the Investment Company Act from participating in certain transactions involving Onex BDC or affiliates of Onex BDC. Onex has been granted an exemptive order by the SEC (the “Order”) to permit Onex BDC to co-invest with the Funds and other clients advised by Onex Credit and its related persons, subject to compliance with various conditions. The Order requires that any opportunities that are appropriate for both Onex BDC and other clients advised by Onex Credit and its related persons will need to be offered to Onex BDC, and any such investments, if made, will need to be conducted in compliance with the conditions of the exemptive relief and related requirements under the Investment Company Act. The Investment Company Act also restricts the ability of the Funds to invest alongside Onex BDC in certain transactions that are not covered by the Order. The Investment Company Act also prohibits certain affiliates of Onex BDC from selling securities to or buying securities from Onex Credit or a company controlled by Onex Credit absent exemptive relief from the SEC or otherwise subject to an exemption under the Investment Company Act.

In general, in the event that a Fund seeks to participate in the same or similar investments as another client advised by Onex Credit or its related persons, Onex Credit will seek to allocate transactions and investment opportunities among its clients in a manner it believes to be as equitable as possible over time, considering its fiduciary obligations to its clients and each client’s investment objectives, limitations and capital available for investment, among other factors, as well as applicable regulation under the Investment Company Act.

If permitted by the applicable Fund Agreement and the relationship terms, Onex Credit’s clients could make or participate in loans to companies in which Onex Corporation (or its affiliates) has made or is proposing to make an equity or debt investment (each an “Onex Portfolio Company” or collectively, “Onex Portfolio Companies”). Making or participating in loans to Onex Portfolio Companies could present certain conflicts of interest and/or present certain regulatory issues to a client. For example, if a client makes or participates in a loan to an Onex Portfolio Company and the Onex Portfolio Company enters bankruptcy, the client could be deemed an “insider” for purposes of the Bankruptcy Code of the United States (the “Bankruptcy Code”). Insider status under the Bankruptcy Code could adversely affect the client’s ability to collect on the loan by subjecting the client to equitable subordination (i.e., the threshold of inequitable conduct that needs to be shown to invoke this remedy is lower when the holder of the claim is an insider and the burden of proof to show that any particular transaction was fundamentally fair will be on the client, not the bankruptcy trustee), increased exposure to preference suits (i.e., more transactions will be potentially avoidable as preferential as the reach-back period will be one year rather than 90 days) and other restrictions under certain circumstances. Further, due to its affiliation with Onex Corporation, Onex Credit could become aware of material non-public information concerning certain companies and as a result of such knowledge, or as a result of certain internal policies adopted by Onex Credit, Onex Credit could at times be precluded from acquiring or disposing of investments it would otherwise wish to acquire or dispose. There may also be other areas of overlap between Onex Corporation’s or its affiliates’ activities or customers and the client or portfolio companies in which the client is invested. Finally, Onex Credit could decide not to make or participate in loans to Onex Portfolio Companies or adopt procedures intended to minimize potential conflicts and/or regulatory or tax issues, which procedures could have the effect of limiting the client’s ability to acquire or dispose of loans to Onex Portfolio Companies.

As discussed in Item 4, the general partners of the Funds, Onex Credit and/or their respective affiliates has entered into and could, in the future enter into, side letters or other agreements with a particular investor in connection with its investment without the approval of any other investor. This would have the effect of establishing rights under or supplementing the terms of the other Governing Documents in

respect of such investor in a manner potentially more favorable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement could include, without limitation: (i) rights to designate a member of, to the extent applicable, a Board of Advisors; (ii) excuse rights applicable to particular investments (which could increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (iii) reporting obligations of the general partners of the Funds; (iv) waiver of certain confidentiality obligations; (v) consent to certain transfers by such investor; (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor; (vii) adjustments to fees or other economics (including, without limitation, management fees, carried interest, or distributions); (viii) access to certain information; (ix) consent rights of the investor; (x) co-investment rights; (xi) tax and structuring matters; and (xii) other representations, warranties or diligence confirmations. The general partners (or equivalents) of the Funds and Onex Credit may not be required to notify the other investors of any such side letters or of any of the rights or terms or provisions thereof, and some or all of the other investors in that Fund may not be entitled to receive such additional benefits or other rights. The general partners (or equivalents) of the Funds, Onex Credit and/or their respective affiliates may enter into such side letters with any party as the relevant general partner (or equivalent) may determine, in its sole and absolute discretion, at any time. Fund investors will not necessarily have most-favored-nation rights in respect of all or any of the more favorable terms provided to others and investors will have no recourse against the Funds, the general partners (or equivalents) of the Funds or Onex Credit or any of their respective affiliates in the event that certain investors receive additional benefits or other rights pursuant to side letters that are more favorable than the terms received by other investors. As a result of certain side letters, investors holding the same interests could have different returns, or receive different information, depending on any arrangements applicable to a given investor's interest in a Fund.

The Governing Documents related to each Fund are detailed agreements that establish complex arrangements among Onex Corporation, Onex Credit, the Fund, its general partner and the investors. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which the parties may not have considered while drafting and executing these agreements. In these instances, the applicable provisions of the agreements, if any, may be broad, general, ambiguous, or conflicting, and may permit more than one reasonable interpretation. At times, there may not be provisions directly applicable to the situation at hand. While Onex Credit will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations it adopts may not necessarily be, and need not be, the most favorable interpretations for the Funds or their investors.

Additionally, certain of the limited partnerships or private funds for which Onex Credit or one of its related persons (including without limitation Onex Falcon and its related persons) serves as general partner or investment manager has and could in the future invest in the same projects or portfolio companies with other clients managed by Onex Credit or one of its related persons. Such investments may be in different parts of the capital structure of a company in which one or more advised clients of Onex Credit, Onex Corporation or their affiliates have an investment in a debt and/or equity tranche. Consequently, given the differing tranches and corresponding priorities in the capital structure of a single company, Onex Credit and its related persons could in certain circumstances face a conflict of interest in respect of the advice they have given to, and the actions they take on behalf of, the advised vehicles, particularly in the case of financial distress of the company in which such clients have invested.

Onex Credit will determine allocations of investment opportunities and any resulting conflicts of interest in a manner that it believes is fair and equitable to the Funds consistent with Onex Credit's obligations to each such Fund and Onex Credit's investment allocation policy. Onex Credit will also consider compliance with the Investment Company Act and the terms of the Order, and specifically the

requirements pertaining to certain co-investment transactions between Onex BDC and other clients of Onex Credit and its related persons that are subject to the Order.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Onex Credit will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act.

On any issue involving conflicts of interest, the general partner of the relevant Fund and Onex Credit will be guided by their respective good faith judgment. In certain circumstances and as required by the Governing Documents, the general partner could present potential conflicts of interest to the applicable Fund's Board of Directors, Board of Advisors or Conflicts Committee, if any, for approval.

Onex Credit generally exercises its discretion to recommend to a Fund or to a borrower thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) Onex Credit or a related person of Onex Credit or Onex (which may include another borrower or portfolio company of the Falcon Funds or funds managed by Onex); (ii) an entity with which Onex Credit, Onex or their affiliates or current or former personnel has a relationship or from which Onex Credit, Onex or their affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or (iii) certain limited partners or their affiliates. This subjects Onex Credit to conflicts of interest, because although Onex Credit selects service providers that it believes are aligned with its operational strategies and will enhance borrower performance and, relatedly, returns of the relevant Fund. Onex Credit generally would in certain circumstances have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Onex Credit, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Onex has a relationship or receive financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Although Onex Credit generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Onex Credit commits or has committed to seek "market" or "arms-length" rates or terms, Onex Credit will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Onex Credit reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Onex Credit undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Onex Credit reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Additionally, Onex Credit expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds or other funds managed by Onex or its affiliates, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors.

The Governing Documents provide Onex Credit with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect Onex Credit's compensation. In making such determinations, Onex Credit is subject to potential conflicts of interest. For example, the potential to earn additional

compensation creates an incentive for Onex Credit or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the management fee and performance fee compensation arrangements. Onex Credit expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that investments have been realized or written down or written off, in the manner described in the Governing Documents (such investments, “Impaired Value Investments”)) in order to receive greater ongoing management fees and, potentially, larger incentive fees than would otherwise be the case.

Where the management fee is calculated taking into account the valuation of an investment, including a determination of whether an investment has become an Impaired Value Investment, Onex Credit will have incentives to make determinations that result in the continued payment of, or a higher, management fee. Additionally, the amount of incentive fee owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the Governing Documents.

The criteria used by Onex Credit in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors, and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of Onex Credit’s determination that an investment is an Impaired Value Investment, and, except as set forth in the Governing Documents, none of Onex Credit nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the relevant Fund’s holding period. The relevant general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the relevant Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Onex Credit’s compensation is dependent in part on an investment’s status as an Impaired Value Investment, Onex Credit faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Onex Credit will not interpret such provisions to constitute a waiver of any person’s non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act.

Generally, Onex Credit addresses conflicts of interest by way of avoidance or disclosure and informed consent. The confidential offering memoranda and the Governing Documents for the Funds address in detail the conflicts of interest that could arise as a result of the affiliations and relationships described above. They also address the manner in which notification, consent or approval requirements may arise and any restrictions or prohibitions that could apply.

Onex Credit has filed a single Form ADV with Onex Credit Partners Europe LLP and OCM, each of which is a relying adviser. None of Onex Credit or its principals or employees are registered as a broker-dealer or a registered representative of a broker-dealer. None of Onex Credit or any of its principals or employees are registered as or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

In addition to the foregoing protections, Onex Credit's investment personnel make significant investments in the Funds. Onex Credit believes that this strong alignment of interests between Fund investors and those charged with investing their capital further mitigates the risks associated with any potential conflicts.

For a further discussion of the Onex Credit's allocations and conflicts of interests policies, see Item 11 below.

ITEM 11.
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND
PERSONAL TRADING**

Onex Credit has adopted a Code of Ethics (the “Code”) as required pursuant to Rule 204A-1 under the Advisers Act to mandate compliance with applicable U.S. federal securities laws, and to establish monitoring and other procedures. A copy of the Code can be obtained by a Fund investor or qualified prospective investor (if applicable) upon written request.

The Code sets forth standards of ethical and business conduct expected of Onex Credit’s personnel that are commensurate with such status and that are designed to comply with the laws applicable to the Funds, Onex Credit and their respective activities. Among other things, the Code requires Onex Credit’s personnel: (i) to place the interests of the Funds above any personal interests; (ii) to seek to identify conflicts of interest arising as a result of personal trading and outside business activities; (iii) to conduct and report personal securities transactions as required in the Code; and (iv) to comply with all applicable federal securities laws.

The Code contains specific policies and procedures dealing with such matters as personal trading and political contributions, and restrictions on outside business activities. The Code is accompanied by a broader compliance manual that further supports Onex Credit’s adherence to law, and more generally to prudent and appropriate processes and conduct, in the investment, management and safeguarding of the Funds’ assets, preventing insider trading and the misuse of material non-public information, the giving and receipt of gifts and entertainment, political contributions, the raising of new funds, communications with investors and prospective investors, public and media communications, the prevention, detection and handling of concerns relating to money-laundering, bribery and corruption, and record-keeping policies and procedures.

Also, Onex Credit has acted and, in the future, may act as investment adviser to Fund accounts that consist solely of Onex Credit’s related persons. As further described in Item 10, Onex Credit could make investments for its clients or participate in loans to portfolio companies of the Onex Partners Funds, which are companies in which Onex Corporation has made or is proposed to make an equity investment. These practices create a conflict of interest because Onex Credit has an incentive to recommend securities from (or sell securities to) clients based on its, or its related persons, own financial interests, rather than solely the interests of a client.

Onex Credit engages in transactions that are considered principal or cross transactions in which one of Onex Credit’s clients, including clients that are owned by related persons, could sell assets to another one of Onex Credit’s clients. All such transactions are done in compliance with requirements of the Advisers Act. In particular, in the execution of Onex Credit’s CLO Strategy, an affiliate of Onex Credit acts as an “originator” purchasing and selling assets to certain CLO vehicles in order to comply with EU risk retention rules. This structure is disclosed in the relevant offering materials and each such trade is approved by a third party that is independent of Onex Credit.

In addition, certain related persons of Onex Credit may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain “warehousing” transactions, provided that the sale is consistent with Onex Credit’s fiduciary obligations to the Funds and appropriate consents are obtained. Such transactions are fully disclosed in writing and the written consent of the appropriate Fund (which, in certain circumstances, may be provided

by the advisory committee of such Fund) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act.

Additionally, certain principals, employees, officers, directors and other related personnel of Onex Credit and its affiliates are permitted to make passive investments in other private vehicles managed by other investment advisers, including investment advisers that are related persons of Onex Credit. Such other private vehicles may compete with the Funds with respect to investment opportunities, seek to enter into or enter into transactions with the Funds or investments held by the Funds, or make investments that compete with, are customers of, or service providers or suppliers to, investments held by the Funds. These circumstances may give rise to certain conflicts of interest.

Additionally, the Funds have, and could in the future invest together with other private investment funds advised by Onex Credit and/or its affiliates in the manner set forth in each Fund's Governing Documents and Onex Credit's allocation policies. In general, unless otherwise provided for in a Fund's Governing Documents, (a) no investor in a Fund has a right to participate in any co-investment opportunity, (b) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Onex Credit or, in certain instances, in consultation with other participants in the applicable transaction, (c) co-investment opportunities may be offered to some and not other investors in the Funds in the sole discretion of Onex Credit and (d) certain persons other than, including in lieu of, investors in the Funds (e.g., third parties) will be offered co-investment opportunities in the sole discretion Onex Credit.

Onex Credit's policies and procedures permit it to take into consideration a variety of factors in making determinations with respect to allocating co-investment opportunities, some of which are applicable in determining whether an investor is a strategic investor. Onex Credit's allocation of co-investment opportunities among investors may not, and often will not, result in proportional allocations among investors that have expressed interest in co-investment opportunities as most co-investments typically will have strategic investors, and it is possible that certain investors may receive multiple opportunities to co-invest while others expressing interest in co-investments may receive none. In order to facilitate a transaction with a borrower, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the transaction. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such borrower, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

Onex Credit requires its access persons to pre-clear transactions in securities (with certain exceptions) in their personal accounts, and permission to execute the transaction will be denied if such transaction will have any adverse economic impact on one of its clients. Generally, personal trading will not be approved in any security that (i) a client owns or is in the process of buying or selling or (ii) Onex Credit or Onex Falcon is researching, analyzing or considering buying or selling for a client.

All of Onex Credit's access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of Onex Credit's access persons are also required to provide broker confirmations of each transaction in which they engage and a quarterly certification of such transactions. Trading in employee accounts will be reviewed under the supervision of the Chief Compliance Officer ("CCO") and compared with transactions for the Fund accounts and reviewed against the restricted securities list.

ITEM 12. BROKERAGE PRACTICES

Brokerage and Best Execution

Onex Credit considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and responsiveness. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, Onex Credit need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Onex Credit's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Onex Credit's Best Execution Committee periodically evaluates the broker-dealers used by Onex Credit to execute client trades using the foregoing factors.

From time to time Onex Credit has participated and, in the future, may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by Onex Credit or recommend these private funds as an investment to clients. Onex Credit has placed and, in the future, may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if Onex Credit determines that it is otherwise consistent with seeking best execution. In no event will Onex Credit select a broker-dealer as a means of remuneration for recommending Onex Credit or any product managed by Onex Credit (or an affiliate) or affording Onex Credit with the opportunity to participate in capital introduction programs.

Onex Credit often purchases or sells the same security or other investment for several clients contemporaneously and using the same executing broker. It is Onex Credit's practice, where possible, to aggregate client orders for the purchase or sale of the same security or other investment submitted contemporaneously for execution using the same executing broker. Such aggregation may enable Onex Credit to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, Onex Credit allocates the securities or other investments purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If an aggregated order is only partially filled, Onex Credit's procedures provide that the securities or other investments or the proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued, the type of investment and other factors, this may result in a pro rata allocation to all participating clients (see Item 16 for additional information).

If it appears that a trade error has occurred, Onex Credit will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, Onex Credit's error correction procedure is to ensure that clients are treated fairly. Onex Credit has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. Trade errors that result other than by breach of the standard of care attributable to Onex Credit are generally borne by the Fund account.

Soft Dollar Arrangements

Onex Credit may receive research or brokerage from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a “soft dollar” relationship. Onex Credit has no formal soft dollar arrangements in place to receive any specific research or brokerage services. To the extent Onex Credit may enter into soft dollar arrangements in the future, Onex Credit will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Exchange Act (“Section 28(e)”). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) could include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

ITEM 13.
REVIEW OF ACCOUNTS

Onex Credit provides ongoing management services to the Funds. Each Fund account is reviewed by Onex Credit's portfolio managers on a periodic basis to determine whether invested positions should be maintained in view of current market conditions. Matters reviewed (depending on the investment strategy deployed for a particular client) include specific positions held, news and events related to current positions, diversification based on position and industry limits, hedging positions and gross and net exposures.

For each client that is a private pooled vehicle, that client's investors receive reports from the client pursuant to the terms of each client's Governing Documents. In addition to the information provided to all investors, Onex Credit may provide certain investors with additional information or more frequent reports that other investors will not receive. Each client that is a separate account will receive reports pursuant to the terms of the management agreement entered into with that client.

ITEM 14.
CLIENT REFERRALS AND OTHER COMPENSATION

Onex Credit is compensated exclusively for providing investment advice to its clients and investors in the Funds it manages.

Onex Credit from time to time engages third-party placement agents to solicit certain types of potential investors in the Funds. The compensation of the placement agent is negotiated in the context of the particular engagement and may be different with respect to the different Funds. Compensation of such persons for their services is at Onex Credit's expense, either directly or through an offset of management fees payable by the relevant Fund to Onex Credit.

Except as described above, neither Onex Credit nor a related person directly or indirectly compensates any unrelated person for Fund investor referrals.

ITEM 15.
CUSTODY

Onex Credit maintains assets and securities of the Funds with qualified custodians, including JP Morgan Chase Bank NA, Bank of America Merrill Lynch and Wells Fargo Bank N.A., in a separate account for the Funds under the Funds' name, or in accounts that contain only funds and securities owned by the Funds under Onex Credit's name, as agent or trustee for the Fund or Funds. Custodians will generally be banks, trust companies or broker-dealers unaffiliated with Onex Credit.

Financial statements audited by an independent public accountant are provided to each Fund's investors within 120 days following the Fund's fiscal year end.

ITEM 16.
INVESTMENT DISCRETION

The Governing Documents generally provide that the applicable investment manager or general partner (or equivalent) of each Fund has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments, subject to compliance with the terms, conditions, restrictions and limitations set forth in the Governing Documents. Onex Credit has been engaged as the agent for each such Fund and generally has full discretionary authority to manage the Funds subject to the same terms, conditions, restrictions and limitations Pursuant to the terms of the Governing Documents, however, the general partners have entered into, and could in the future enter into, side letters with certain limited partners whereby the terms applicable to such limited partner's Fund investment may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Investment advice is provided directly to each Fund and not individually to the limited partners of any Fund.

ITEM 17.
VOTING CLIENT SECURITIES

Onex Credit has written proxy voting policies and procedures (the “Proxy Voting Policies and Procedures”) as required by Rule 206(4)-6 and 204-2(c)(2) under the Advisers Act.

To the extent Onex Credit has been delegated proxy voting authority on behalf of its clients, Onex Credit will vote such securities in a manner that serves the best interest of the Funds and in accordance with the relevant Fund’s Governing Documents and any voting agreement or shareholders’ agreement entered into in connection with the relevant investment.

Onex Credit generally believes its interests are aligned with those of the Funds’ investors through the principals’ beneficial ownership interests in the Funds and therefore generally do not expect to seek investor approval or direction when voting proxies.

Clients may provide specific voting guidelines for voting proxies.

If Onex Credit determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Onex Credit will take action in accordance with the Funds’ Governing Documents and as otherwise determined to be in the best interest of the Funds in voting such proxy. This may include seeking approval of the voting decision for a proxy proposal from the relevant Fund’s Board of Directors or Board of Advisors, if any, and consulting with the CCO and outside counsel, as appropriate. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Voting Policies and Procedures provide that Onex Credit may address the conflict using several alternatives.

Copies of Onex Credit’s proxy voting policies and procedures and specific information as to how proxies have been voted are available to Fund investors upon request by email at zdrozdz@onext.com or by telephone at 201-541-2121.

ITEM 18.
FINANCIAL INFORMATION

Onex Credit does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.