

FORM ADV PART 2A: Firm Brochure

Item I- Cover Page

Belstar Management Company, LLC

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March 2024

This brochure provides information about the qualifications and business practices of Belstar Management Company, LLC (“**Belstar**” or the “**Adviser**”). If you have any questions about the contents of this brochure, please contact Belstar’s Chief Compliance Officer (the “**CCO**”), Gary Gal, at (212) 245-2800 or ggal@belstargroup.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority. Additional information about Belstar is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Registration with the SEC does not imply that Belstar or any of its principals or employees possess a particular level of skill or training.

Item 2 - Material Changes

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) require the Adviser to identify and discuss any material changes made to its brochure since the last annual update. There have been no material changes to disclose since the previous iteration of this brochure, filed in March 2023. This brochure should be read in its entirety.

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Item 4 - Advisory Business

Belstar Management Company, LLC is a Delaware limited liability company formed in March 2009 with its principal office in New York, New York. The sole owner of Belstar is Daniel Yun.

Belstar provides investment advisory services to private pooled investment vehicles and to a single separately managed account.

The private pooled investment vehicles include:

- Belstar Credit Opportunities Fund (SPC), Ltd. Class A TALF Eligible, a Cayman Islands segregated portfolio company; and
- Belstar Credit Opportunities Fund, LLC Series A, a Delaware limited liability company.

Unless otherwise specified, these private pooled investment vehicles are each referred to as a **“Fund”** or and, collectively, the **“Funds”**. Belstar Holdings LLC serves as the general partner of Belstar Credit Opportunities Fund, LLC Series A and Daniel Yoon and Joon Ho Lee serve as directors of Belstar Credit Opportunities Fund (SPC), Ltd. Class A TALF Eligible (each, respectively, the **“General Partner”**). Belstar Credit Opportunities Fund (SPC), Ltd. Class A TALF Eligible invests a substantial portion of its portfolio in Alta Fundamental Advisers SP LLC – Belstar-Alta Series 1 (**“Belstar-Alta Series 1”**). Belstar Credit Opportunities Fund, LLC Class A invests a substantial portion of its portfolio in Alta Fundamental Advisers SP LLC – Belstar-Alta Series 2 (**“Belstar-Alta Series 2”**).

The Funds are managed in accordance with their own investment objectives as set forth in the relevant governing and offering documents of the Funds (each, a **“Fund Document”** and, collectively, the **“Fund Documents”**). Investment objectives are not tailored to any particular Fund investor (each, an **“Investor”** and, collectively, the **“Investors”**).

Belstar also provides investment advisory services to a single separately managed account client, referred to here in as an **“SMA Client”** and together with the Funds, the **“Clients”**. The investment objectives, fee arrangements and terms of the separately managed account were negotiated by Belstar and the SMA Client.

Belstar does not participate in wrap fee programs, does not have any managed accounts; and does not have any client accounts other than the Clients described above.

As of December 31, 2023, Belstar had approximately \$649,430,000 in regulatory assets under management on a discretionary basis on behalf of its Clients.

Item 5 - Fees and Compensation

Management Fees

As an investment adviser to the Funds, as further described in the Fund Documents, Belstar receives a management fee generally equal to an annual rate of between 1.25% and 1.50% (the **“Management Fee”**). The Management Fee is payable monthly in arrears on the first day of each following calendar month. In each case, the series' net asset value is determined for purposes of calculating the applicable Management Fee as of the first business day of each following calendar month, prior to any reduction for

the Management Fee. Management Fees are generally pro-rated for partial periods. Once paid, Management Fees are non-refundable.

Belstar or its affiliates may reduce, waive or calculate differently the Management Fee for certain Investors, including but not limited to, partners, members, employees and affiliates of Belstar.

Other series of interests may be created in the future, each of which does and would represent a separate pool of assets and is or may be subject to different fees, expenses or other terms.

Other Expenses

In consideration of the Management Fee, Belstar will bear the expenses incurred in connection with its provision of services to the Funds, including expenses related to Belstar's office space and utilities; administrative services; and secretarial, clerical and other personnel, except to the extent such expenses are (i) Fund expenses as provided below and in the Fund Documents, or (ii) paid for through the permitted use of soft dollars generated by Belstar-Alta Series 1 and Belstar-Alta Series 2, respectively.

The Funds will bear and be responsible for a *pro rata* share of Fund Expenses. "**Fund Expenses**" include, among others, the following fees and expenses of the operations of the Funds including, without limitation: (1) the Funds' costs and expenses of organizing the Fund and offering to prospective Investors (e.g., legal, accounting and administration fees, filing fees and all other out-of-pocket expenses reasonably incurred in connection with the organization of the Fund production and mailing of marketing materials and travel expenses); (2) all fees and expenses associated with the restructuring of the Funds; (3) all expenses incurred in connection with the admission of Investors; (4) all expenses incurred for tax preparation fees, governmental fees and taxes (or any other governmental charges levied against the Funds), administrator fees, custodial fees, communications with Investors and ongoing legal, accounting, auditing, administration, appraisal, bookkeeping, consulting and other professional fees and expenses, including for litigation and allocable compensation for in-house attorneys and accountants based upon time spent on Fund matters, and preparation of the Funds' financial statements and reports; (5) all costs, expenses, and charges incurred in connection with the investment and trading activities of the Funds (e.g., brokerage commissions, mark-ups, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges, and other transaction costs to brokers); (6) professional and other advisory and consulting expenses and travel expenses incurred in connection with investment due diligence, monitoring or the assertion of rights or pursuit of remedies (including, without limitation, pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer); (7) all fees and other expenses incurred in connection with the investigation, prosecution, or defense of any claims by or against the Funds; (8) interest on, and fees and expenses arising out of, all borrowings made by the Funds; (9) expenses of any meetings of the Investors; (10) the costs of any litigation and indemnification relating to the affairs of the Funds; (11) expenses related to third party research, publications, data and data services, including real time pricing and market information and historical pricing and other data; (12) costs of compliance with applicable laws and regulations of governmental and self-regulatory bodies, including costs incurred by the Adviser and its affiliates in complying with laws and regulations that apply to any such entities as a result of their services to the Funds; (13) expenses associated with maintaining the legal existence of the Funds, including administrators' fees, occupancy costs and other operating costs of entities that maintain their own offices in certain jurisdictions; (14) all other reasonable expenses related to the management and operation of the Funds, and (15) expenses associated with the termination of a Fund. To the extent that Fund Expenses are paid by the Adviser, the General Partner or an affiliate thereof, the Funds generally will reimburse such party.

All Fund Expenses and all other costs, expenses, liabilities, and obligations of the Funds attributable to a particular Fund determined by the General Partner in a manner to be appropriate and consistent with GAAP shall be borne by the Investors holding interests in such Funds based upon their relative interests. All other Fund Expenses and all other costs, expenses, liabilities, and obligations of the Funds not attributable to a Fund as determined by the General Partner in a manner to be appropriate and consistent with GAAP, shall be borne by the Investors as a whole, *pro rata* to their relative Fund interests. In the event that any Fund Expenses are incurred with respect to the Funds and other accounts or investment vehicles managed by the General Partner or Adviser, or an affiliate thereof, such costs will be allocated across such entities on a *pro rata* basis or on such other basis as the General Partner determines to be fair and reasonable. Notwithstanding the foregoing, any such expenses shall not be duplicated across such entities.

Belstar has adopted policies and procedures to ensure that the Funds are treated fairly. Subject to any contractual limitations set forth in the relevant governing Fund Documents. Each Investor should review the appropriate Fund Documents for more information on the applicable Management Fees and expenses.

For information on Belstar's brokerage and transaction costs, please see "Item 12 – Brokerage Practices."

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

Generally, Belstar shall be entitled to receive an incentive allocation from each Fund on an annual basis following the end of each fiscal year (the "**Incentive Allocation**"). The incentive allocation will generally range from 20% to 30% of amounts as set forth in detail in each of the Funds' respective Fund Documents and subject to a "high water mark" which shall be applied on a cumulative basis, and no Incentive Allocation shall be allocated to the Adviser unless the profit of each Investor's Capital Account during the Performance Period exceeds the cumulative applicable high water mark.

Generally, such allocations will be made at the end of a performance period (the "**Performance Period**") which:

- (a) commences with:
 - (i) the open of business on the date of the establishment of such investor capital account ("**Capital Account**"); or
 - (ii) the day following the last day of the preceding Performance Period; and
- (b) ends with the close of business on:
 - (i) the last day of a fiscal year; or
 - (ii) if earlier:
 - (A) a redemption date when an Investor redeems from the Funds; or
 - (B) termination of the Fund.

In the sole discretion of Belstar, the Incentive Allocation may be waived, reduced or calculated differently for certain Investors, including but not limited to, partners, members, employees and affiliates of Belstar.

Certain of Belstar's Clients may have a higher Management Fee or Incentive Allocation than other Clients. When Belstar manages more than one Client account, a potential exists for one Client to be favored over another Client. Belstar and its investment personnel have a greater incentive to favor Clients that pay Belstar (and, indirectly, its investment personnel) higher Management Fees or Incentive Allocations.

However, Belstar has adopted policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Clients, including accounts with different fee arrangements

and the allocation of investment opportunities. Belstar will review investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. It is Belstar's general policy to trade the portfolios of all Clients on a *pro rata* basis based on relative capital (subject to the use of leverage in the portfolios of certain Clients). However, allocations may be made on a basis other than *pro rata* for a number of reasons, including, but not limited to: a Client's investment guidelines and restrictions; available cash; liquidity requirements; tax or legal reasons; to avoid odd lots; or in cases in which such an allocation would result in a de minimis allocation to a Client.

Item 7 - Types of Clients

Belstar provides discretionary investment advisory services to the Funds, each a pooled investment vehicle, and not individually to the Investors in the Funds. The Investors in the Funds are each (a) "**Accredited Investors**" as that term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), (b) "**Qualified Purchasers**" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and (c) "**Qualified Clients**" as defined in Rule 205-3 of the Advisers Act. In addition, Belstar may, in the future, offer investment advisory services to other client accounts or pooled investment vehicles. Belstar provides discretionary investment advice to the SMA Client in accordance with the agreement between Belstar and the SMA Client.

The minimum investment for an Investor in the Funds ranges by series from US \$1,000,000 to US \$10,000,000. An Investor may make additional investments in amounts of at least \$500,000. The minimum may be reduced or waived by Belstar at its sole discretion.

Item 8 - Method of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

The Adviser's investment objective is to seek superior returns by investing, directly or indirectly, in assets and securities that are approved from time to time for investments to be financed by the Term Asset-Backed Securities Loan Facility Program ("**TALF**"). Belstar intends for the Funds' portfolios to mainly consist of asset-backed securities ("**ABS**") purchased using leverage obtained through TALF or using leverage from other providers of secured financing. The securities currently approved for the TALF program are AAA-rated ABS whose underlying credit exposures consist of auto loans, student loans, credit card loans, small business loans guaranteed by the U.S. Small Business Administration (the "**SBA**"), equipment loans, floorplan loans, insurance premium finance loans, receivables related to residential mortgage servicing advances, leveraged loans and commercial mortgages. The Adviser also has the authority to invest in non-TALF AAA rated assets and engage in hedging strategies.

In addition to making TALF Investments and non-TALF eligible AAA investments, the Funds may also make temporary investments in high-grade assets having not less than a AAA rating or an A1-PI commercial paper rating, or other cash management products pending investment or reinvestment by the Funds. The Adviser may in its discretion at any time hedge some or all of the Funds' exposure of their portfolio securities by buying or selling forward contracts, options, exchange traded funds, equities, indices, and other derivative contracts including credit default swaps and equity-linked puts and calls. Although the Funds may utilize such hedging techniques for risk management purposes, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly.

Investment Process

Before an investment decision is made and executed, Belstar's investment team must align on the decision. The security selection process is limited to TALF eligible securities and other AAA rated assets and therefore predicated on constructing a portfolio that achieves a targeted rate of return subject relative to a range of market reasonable stress tests. In addition to analysis done on specific securities, the investment team gathers information via conversations with sell-side trading desks, primarily related to new issuance supply and price levels, and benefits from market data/research platforms provided by broker dealers. Belstar relies on the ability of the investment team to evaluate the significance of quantitative data. The purely quantitative portion of Belstar's information gathering process is not unique.

Risk of Loss Factors

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

Risks Associated with TALF Loans. TALF loans bear interest at variable or fixed rates. If interest rates under a loan should rise, then interest expenses would be increased. Illiquidity or declining market value of the investments will decrease the amount of capital available to pay principal of or interest on its obligations to the U.S. Government. Since these obligations are secured by various liens, the U.S. Government could exercise its recourse rights, thereby indirectly reducing the value of Fund investments. Furthermore, the surrender of collateral to the U.S. Government could result in the liquidation of assets in a manner that does not maximize investor value and will be senior to and be paid before amounts paid to investors. The U.S. Government has the discretion to decide which investments qualify for loans under TALF and has the discretion to make or not make loans. As such, there is a risk that a loan will not be received under TALF and there will be no ability to make investments on a leveraged basis. The decision to extend any loans under TALF is at the U.S. Government's discretion. The U.S. Government will generally hold security interests in the underlying assets. If there is a default on any interest payment, or there is otherwise an event of default under a TALF loan, the U.S. Government will have certain remedies such as foreclosing on its security interests. In the case of TALF loans, the underlying collateral may be surrendered to the U.S. Government in lieu of continuing payments on such loans. Any remedy of the U.S. Government under a TALF loan could reduce the value of Fund investments and could result in a total investment loss.

Risk of Termination of the TALF Program. By its terms, the TALF program matures on a certain date. In addition, the TALF program may allow the U.S. Government to terminate the loan before the stated maturity date upon specified events or perhaps on demand. Upon termination of such a TALF loan, the Funds may be subject to early termination fees and/or Belstar will no longer have the leverage it seeks to execute its investment strategy.

Event of Default; Effect on Withdrawals. During a default or event of default, the Funds may be required to make payments under TALF loans to the Funds' detriment. Accordingly, any Investor withdrawals may be suspended until the relevant default or event of default is cured. If a default or event of default occurs or payment of TALF loans is demanded, then Fund investments could be subject to substantial or total loss.

Financial Covenants in TALF Loans. TALF loans may also have negative, affirmative, financial and other covenants which could have a material impact on the Funds' ability to attain its investment objective. In particular, the U.S. Government's right to provide or deny consent to any investment by the Funds, and

to the liquidation of the Funds' investments, may operate to impair the Funds' ability to timely provide capital withdrawal payments to investors.

Inability to Obtain TALF Program Loans or Other Financing. Although the Funds intends to qualify as a 'Eligible Borrower' under the TALF program, there is no guarantee that the Funds will be able to secure any loans through the TALF program. Furthermore, to the extent the TALF program has a limit on the amount of funds that may be dispersed under the facility, the Funds may not be able to obtain sufficient financing through the TALF program to purchase a sufficient number of TALF-qualified asset-backed securities. Similarly, there is no guarantee that the Funds will be able to obtain loans from other providers of secured financing

TALF Loans or Other Financing May Become Less Favorable. There is no guarantee that the U.S. Government will not raise interest rates under the TALF program or issue less favorable terms for obtaining TALF loans, which may impair Belstar's ability to attain its investment objective. The future and favorability of the TALF program is subject to high degree of risk from both economic and political factors. Similarly, there is no guarantee on the pricing for loans from other providers of financing.

Risk Associated with TALF Administrative Fees. Obtaining loans through the TALF program to finance the purchase of collateral entails a high degree of risk. In order to secure a loan through the TALF program, the Funds would need to deliver pledged collateral through its primary dealer to the TALF custodian through the Depository Trust Company ("**DTC**"). The pledged collateral may not be delivered in full or in part to DTC or may not qualify as 'eligible collateral,' in which event the amount of the loan requested by the Funds will be reduced in accordance with the amount of the pledged collateral that qualifies as 'eligible collateral.' Additionally, the Federal Reserve Bank of New York ("**FRBNY**") may retain its full administrative fee on the full requested loan amount even if a lesser amount is disbursed. The excess administrative fee could negatively affect investment returns.

Risk Associated with ABSs that have Maturities Exceeding Maximum TALF Loan Term. Currently, the maximum term of a TALF loan is three (3) years or five (5) years, however, collateral pledged by the Funds may have a maturity beyond three (3) years or five (5) years, in which case the Funds will be required to repay the loan in full at the end of the three (3) year or five (5) year term of the TALF loan, as applicable. Income from collateral with a maturity greater than the maturity of the TALF loan may not be sufficient to repay the TALF loan in full. The Funds may be forced to surrender collateral to the FRBNY, arrange for a sale of the collateral in accordance with TALF rules, which may be unfavorable, or obtain funds from other sources to pay down the loan. the Funds may incur significant losses if it finances the purchase of ABSs with TALF loans that have shorter maturities than such collateralized ABSs.

Risk Associated with Primary Dealer. All funds paid and collateral released by the TALF custodian to the Funds will be transferred to the Funds' primary dealer, and neither the TALF custodian nor FRBNY have an obligation to account for the transfer of such funds or collateral. The Funds may face substantial risk of loss should such primary dealer declare bankruptcy.

Illiquidity of TALF-qualified ABSs. Pledged collateral may not, without the consent of FRBNY, be sold or otherwise pledged or transferred by the Funds so long as any TALF loan obligations remain outstanding. FRBNY may, in its discretion, prevent or restrict the Funds from assigning obligations under a TALF loan to a third party, even if such party is an 'Eligible Borrower'. In the event that the pledged collateral does not generate income sufficient to satisfy the TALF loan repayments, the Funds may have to surrender the collateral to the FRBNY and lose all or substantially all of the value of the pledged collateral which, in turn, could have a materially adverse impact on the Funds.

TALF Loans May Become Recourse. Although TALF loans are structured to be recourse only to the collateral securing such loans, the loans may become recourse to the Funds, as borrower, upon the occurrence of certain events. If a TALF loan becomes a recourse loan, the interest rate on such loan may be increased to the interest rate then in effect plus two percent (2%). In the event that a TALF loan becomes a recourse loan, the Funds may be liable for amounts exceeding the value of the collateral securing such loan, and therefore may incur substantial or total losses satisfying such obligations.

Obtaining Eligible Collateral. The TALF loan program provides strict guidelines and restrictions regarding what securities can qualify as collateral for TALF loans. Such restrictions and guidelines may limit the availability of such collateral in the marketplace, and the Funds may be unable to acquire a sufficient amount of such collateral to meet its investment objectives. Additionally, should any collateral used to secure a TALF loan be deemed not eligible, the Funds may be required to repay the TALF loan or substitute the ineligible collateral with other collateral, which may result in the Funds incurring significant losses. The Funds will be competing with other similarly situated investment vehicles, financial institutions, wealthy investors, and other investors for access to qualifying collateral and to attractive investments generally. Such competition may reduce the number of attractive investments available to the Funds and may adversely affect the terms upon which such investments may be made. There is no assurance that Belstar will be able to meet its investment objectives or that it will be able to fully invest all of its capital.

Diversification of Assets. Because the set of securities or assets that qualify as collateral under the TALF program is limited and because the subscription dates for obtaining TALF loans is currently set to occur twice per month, the Funds' portfolios at any one time may be heavily concentrated in a narrow range of securities and assets that qualify as collateral, which may have negative consequences to the Funds' investment objectives that are difficult to forecast.

Debt Instruments. The debt instruments in which the Funds may invest could be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer, and general market liquidity. In addition to the sensitivity of debt securities to overall interest-rate movements, debt securities involve a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues. Belstar's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of an issuer's creditworthiness.

Credit Risk. The issuers of debt instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. In addition, major economic downturns and financial market swings have adversely affected, and could in the future adversely affect, the ability of some of the issuers of such instruments to repay principal or pay interest thereon and may increase the incidence of default for such instruments. The price of an instrument is affected by the credit quality of its issuer. Changes in the financial condition of an issuer, changes in general economic conditions, and changes in specific economic conditions that affect a particular type of issuer, can impact the credit quality of an issuer. Lower quality instruments are often considered to be speculative in nature and involve greater risk of default; lower quality instruments also tend to be more sensitive to these changes than higher quality instruments. Instruments that are unrated or below investment grade may be unlikely to have the capacity to pay interest and repay principal when due, in the event of adverse business, financial, or economic conditions. No natural hedge may exist for the default risks for many asset types as the behavior of a small set of borrowers may not be well correlated to the behavior of a larger pool. Nevertheless, Belstar may choose to hedge risks to certain companies, including, without limitation, mortgage originators or specialty finance companies via debt or equity trades in these companies or through the use of other derivatives, such as credit default swaps.

Asset-Backed Securities. The investment characteristics of ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying assets generally may be prepaid at any time.

ABS are also subject to default risk. Credit-sensitive bond classes of ABS are exposed to the default probability of the underlying loans and recovery rates on those liquidated loans. The default rates of loans backing these securities is dependent on a number of factors including national and regional economic growth, the level of interest rates, the strength of new origination platforms, and other factors. The ultimate performance of these tranches is dependent on both the default (involuntary prepayment) and voluntary prepayment performance of the underlying pool. Belstar may not attempt to hedge default risk. To the extent Belstar does attempt to hedge default risk, there can be no assurances that any hedging strategies used by Belstar will be successful. In either case, the Funds will be exposed to the risk of economic recession, changes in the availability of financing, and other risks.

ABS are also subject to prepayment risk. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans underlying ABS will be affected by a variety of factors, including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. The adverse effects of prepayments may impact the Funds in two ways. First, particular investments may experience outright losses, as in the case of interest-only securities in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that Belstar may have constructed for these investments, resulting in a loss.

Index Risk. Belstar may also invest in variable rate securities, the rate of interest payable under which varies with a designated rate or index. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market's perception of anticipated changes in those rates or indices. This introduces additional risk factors related to the movements in specific indices or interest rates which may be difficult or impossible to hedge, and which also interact in a complex fashion with prepayment risks. Certain moves in these indices may thus be adverse to the credit support of various securities. These effects are very difficult to hedge, and Belstar will in general not attempt to do so.

Changes in the Market Environment for ABS. The market for ABS is affected by a number of factors that are beyond Belstar's control but could nonetheless have a potentially significant, negative impact on the Funds' investments in ABS. These factors include, among other things: interest rates and credit spreads; the availability of credit, including the price, terms and conditions under which it can be obtained; the quality, pricing and availability of suitable investments and credit losses with respect to such investments; the ability to obtain accurate market-based valuations; default rates on the loans underlying the ABS and the amount of the related losses; prepayment speeds, delinquency rates and legislative/regulatory changes; the actual and perceived state of the real estate markets; unemployment rates; and the attractiveness of other types of investments relative to investments in ABS. Changes in these factors are difficult to predict, and a change in one factor can affect other factors. A decline in market demand for the ABS that the Funds holds would make it more difficult for the Funds to sell their assets. If Belstar is required to liquidate all or a portion of its ABS investments quickly, it may realize significantly less than the amount at which these investments are valued.

Use of Leverage. Belstar may from time to time employ leverage, both for speculative and hedging purposes, in a wide variety of ways, including, without limitation, purchasing instruments with borrowed funds, investing and trading in futures contracts, options on futures, options on securities, forward contracts, swaps and other derivative instruments, as well as short selling. While Belstar believes that the use of leverage may enable it to achieve a higher rate of return, the use of leverage has attendant risks

and can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject.

Derivatives. Belstar may use derivative instruments including, without limitation, futures contracts, options on futures, options on securities, forward contracts, swaps and credit derivatives such as CDSs, as well as derivative techniques (including, without limitation, synthetic short sales), for various hedging and/or speculative purposes. The use of such instruments and techniques by Belstar results in the leveraging of their assets, thereby exposing the Funds to increased risks, including but not limited to; counterparty risk, basis risk, interest-rate risk, settlement risk, legal risk, and operational risk. These risks are discussed in greater detail in the Fund Documents.

Short Selling. Belstar may sell short securities on behalf of the Funds. Short selling of securities occurs when the Funds borrow securities, promising to buy them at a later date. If the price drops, the Funds can buy the securities at the lower price and make a profit on the difference. If the price of the securities rises, the Funds have to buy them back at the higher price, and the investment loses money. Buying the securities can itself cause the price of the securities to rise further which would exacerbate the potential for loss.

Options. Belstar may take long or short positions in call and/or put options on behalf of the Funds. There are risks associated with the sale and purchase of options. Call options are the right to buy a security at a certain price within a defined time period. Put options are the right to sell a security at a certain price within a defined time period. A buyer of either type of option assumes the risk of losing its entire investment in the option. A buyer of a call option risks losing its investment if the particular security never reaches the designated price within the set time period. A buyer of a put option risks losing its investment if the particular security does not decline enough to reach the designated price within the set time period. A seller of an uncovered option has to pay substantial additional margin, and bears an unlimited risk of loss, since the seller must deliver, or take delivery of, an asset at a predetermined price which can, upon exercise of the option, be significantly different from the market value.

Straddles. Belstar may participate in straddle trades. In straddle writing, where the investor writes both a put and a call on the same underlying interest at the same exercise price in exchange for a combined premium on the two writing transactions, the potential risk of loss is unlimited. To the extent the price of the underlying interest is either above or below the exercise price by more than the combined premium, the writer of a straddle will incur a loss when one of the options is exercised. If the writer is assigned an exercise on one option position in the straddle and fails to close out the other position, subsequent fluctuations in the price of the underlying interest could cause the other option to be exercised as well, causing a loss on both writing positions.

Combination Transactions. Belstar may engage in spreads or other combination options transactions involving the purchase and sale of related options and futures contracts. These transactions are considerably more complex than the purchase or writing of a single option. They involve the risk that executing simultaneously two or more buy or sell orders at the desired prices may be difficult or impossible, the possibility that a loss could be incurred on both sides of a multiple options transaction, and the possibility of significantly increased risk exposure resulting from the hedge against loss inherent in most spread positions being lost as a result of the assignment of an exercise to the short leg of a spread while the long leg remains outstanding. Also, the transaction costs of combination options transactions can be especially significant because separate costs are incurred on each component of the combination.

Commodity Interest Transactions. Belstar may participate in commodity interest transactions. Commodity interest transactions are volatile. Their market movements and prices are easily affected by a wide variety of complex factors that are difficult to predict, such as supply and demand of a particular

commodity, weather and climate conditions, governmental activities and regulations, political and economic events, and inherent characteristics of the marketplace. Their low margin requirements provide for a large amount of leverage and, consequently, a relatively small change in the market price of a commodity contract can produce corresponding profit or loss that is substantial.

Securities Lending. Belstar may, in order to generate additional income, lend securities to broker-dealers and other institutional borrowers for use in such borrowers' short sale, arbitrage or other securities transactions. Securities lending entails all the risks generally associated with other extensions of credit. Among these are the risk that the Funds will lose their rights to the collateral posted by the borrower if the borrower fails financially, and the risk that the borrower will default on the lending agreement in circumstances in which the collateral provided to the Funds as security is insufficient to offset the loss that the Funds sustain as a result of such default.

Stock Index Options. Belstar may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market. A stock index fluctuates with changes in the market values of the stocks included in the index. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether Funds will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by Belstar of options on stock indices will be subject to its ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

Stock Index Futures. The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by Belstar is also subject to Belstar's ability to correctly predict movements in the direction of the market.

Fixed Income Securities. Belstar may invest in bonds or other fixed income securities, including, without limitation, convertible debt and other debt securities, notes, debentures and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities may change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk that the issuer is not able to meet their obligations and to price volatility due to various external factors. Belstar may also purchase and sell indices as well as call and put options on indices, whether or not such indices are listed on securities exchanges or traded in the over-the-counter market. An index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular instrument, whether the Funds will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the instrument market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular instruments.

Structured Finance Securities. The investments may include structured finance securities or similar instruments. Structured finance securities may present risks similar to those of the other types of debt

obligations and, in fact, such risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of risks, including, without limitation, prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, and the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Investment Grade Debt Securities. The Funds may invest in investment grade debt securities, that generally have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit risk than high yield debt securities or mezzanine debt securities. The risks of investment grade debt securities may include, but are not limited to; marketplace volatility resulting from changes in prevailing interest rates, the absence, in many instances, of collateral security, and the declining creditworthiness and the greater potential for insolvency of the issuer of such investment grade debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

Mezzanine Debt Securities. The Funds may participate in investments, either directly or indirectly through the investments in structured finance products, in mezzanine debt securities. Mezzanine debt securities are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Mezzanine debt securities are typically issued in traditional private placements or in connection with acquisitions and other business combinations and have no trading market. Moreover, mezzanine debt securities are generally unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high-yield debt securities. Adverse changes in the financial condition of the obligor of mezzanine debt securities or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Issuers of mezzanine debt securities may be highly leveraged, and their relatively high debt-to equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

Distressed Securities. Belstar may make investments related to companies that are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation. This means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to an investment.

Operating and Financial Risks of Underlying Companies. Belstar may make investments where the company to which an investment relates could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, investments relating to companies which Belstar expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress.

Collateralized Loan Obligations Risks. Belstar may invest in cash structured products such as collateralized loan obligations ("CLOs"). The market value of CLOs will generally fluctuate with, among other things,

the financial condition of the obligors on the underlying loan obligations, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. CLOs are subject to credit, liquidity and interest rate risks. There is no established, liquid secondary market for many of the CLO securities Belstar purchases. The lack of such an established, liquid secondary market may have an adverse effect on the market value of such CLO securities and Belstar's ability to sell them. Further, CLOs are subject to certain transfer restrictions that may further restrict liquidity. Therefore, no assurance can be given that if Belstar were to dispose of a particular CLO, it could dispose of such investment at the previously prevailing market price.

Bank Loans and Participations. The Funds may invest in bank loans. Bank loans are not traded on regulated exchanges, are not registered with governmental authorities and are not subject to the rules of any self-regulatory organization. There are varying sources of statistical default rate data for term bank loans and numerous methods for measuring default rates. The historical performance of the term loan market is not necessarily indicative of its future performance. Should increases in default rates occur with respect to the bank loans in which the Funds invest, they will suffer greater losses or reduced profits. The special risks associated with these obligations include, but are not limited to; the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, environmental liabilities that may arise with respect to collateral securing the obligations, adverse consequences resulting from participating in such instruments with other institutions with lower credit quality, and limitations on the ability of Belstar to directly enforce its rights with respect to participations. Belstar may also invest in bank loan participations, which involve certain risks in addition to those associated with direct loans. A bank loan participant has no contractual relationship with the borrower of the underlying bank loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such agreement. A participant in a syndicated bank loan generally does not have voting rights, which are retained by the lender. In addition, a bank loan participant is subject to the credit risk of the lender as well as the borrower, since a bank loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan.

Swap Agreements. The Funds may enter into swap agreements and options on swap agreements. These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Belstar, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets, or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease the Funds' exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads, or other factors. Swap agreements can take many different forms and are known by a variety of names. Belstar is not limited to any particular form of swap agreement. Whether the use of swap agreements or swaptions will be successful will depend on Belstar's ability to select appropriate transactions. Swap transactions may be highly illiquid and may increase or decrease volatility. Moreover, the Funds bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Funds will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Funds to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect Belstar's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Futures Contracts. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and

national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Funds' positions trade or of their clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Belstar from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or the Commodity Futures Trading Commission ("CFTC") could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

Risks Associated with Small Business Administration Loans Interest Only Strips (COOFs). Each COOF evidences an interest only strip of the SBA guaranteed portion of the underlying loans originated to small businesses for a variety of purposes, including the purchase, expansion or conversion of land or buildings, and the acquisition of material, supplies, equipment and working capital, where such small businesses are not able to obtain financing through conventional lending channels. The underlying loans are business loans that may be secured, in whole or in part, by commercial and/or residential real estate. The yield to maturity on a COOF is extremely sensitive to the rate of principal payments, including prepayments and defaults on the loans underlying the COOFs, and a rapid rate of principal payments may have a material adverse effect on the Client's yield to maturity from these securities. If the loans underlying the COOFs experience greater than anticipated prepayments of principal, the Client may fail to recoup some or all of its initial investment in these securities.

Illiquid Market Risk. In illiquid markets, Belstar may not be able to execute trades, close out positions against which the market is moving or withdraw assets from their selected investments so as to limit the Fund's or the SMA Client's losses as indicated by their strategies. Unexpected market illiquidity has caused major losses in recent years. There can be no assurance that the same will not happen to the Fund's or the SMA Client's investments at any time or from time to time.

Lack of Operating History. There can be no assurance that Belstar will achieve its investment objectives, and the value of the Funds' portfolios could decline substantially. The past investment performance of other accounts managed by Belstar may not be indicative of the future results of any investment.

Nature of Investments. An investment in any of the Funds requires a long-term investment commitment with no certainty of the magnitude or timing of returns. While Belstar intends to make investments that have anticipated returns commensurate with the risks undertaken, there can be no assurance that the targeted returns will be attained. Certain portfolio investments may be illiquid.

Lack of Diversification. The investment strategy of the Funds is to invest in a limited number of portfolio investments (and, in some cases, related investments such as derivatives or hedging positions). Accordingly, each Fund will not represent a diversified portfolio. The investment return of each fund will therefore depend on the performance of a single company, industry and sector, and will be affected to a greater extent by specific economic, business, legal or other developments affecting that company, industry or sector than would be the case if the Funds represented a more widely diversified portfolio. This may result in larger and more rapid changes in the value of any Fund than would be the case if each Fund represented a more widely diversified portfolio.

General Economic and Market Conditions. The success of Belstar's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances.

Participation in Management. All decisions with respect to the Funds' investments and the overall management of the Funds will be made by the Belstar. Unless otherwise expressly provided, investors will have no right or power to take part in the management of the Funds. Belstar is not obligated to inform investors of individual Fund positions or the terms of any investment.

No Market for the Interests. Unless otherwise permitted, interest in the Funds is generally not transferable and will be transferable only with the prior written consent of the General Partner. There is not and will not be a public market for interest in the Funds. Investors will generally be unable to liquidate their investments during the Funds' terms.

Compliance with Anti-Money Laundering Requirements. In response to increased regulatory concerns with respect to the sources of funding used in investments and other activities, Belstar may request investors to provide additional documentation verifying, among other things, investor's identity and source of funding used to purchase interest in the Funds. Belstar may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying investors that the information has been provided. Belstar will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures. These steps may include depositing distributions to which an Investor would otherwise be entitled in an escrow account or causing the withdrawal of an Investor. Belstar reserves the right to refuse to make any distribution to an investor other than to the account from which the corresponding subscription funds were paid. In no event will Belstar make any distribution to any account that is not in the name of the investor.

Lack of Regulatory Oversight. Belstar believes that the nature of its business will not subject it to the registration requirements of, and Belstar does not intend to register as an investment company under, the Investment Company Act. While Belstar will rely upon an exemption available to privately offered investment companies, neither Belstar nor its counsel can assure investors that, under certain conditions, changing circumstances or changes in the law, Belstar may not become subject to the Investment Company Act or any similar law in the future. So long as Belstar is not registered under the Investment Company Act, the provisions thereunder that may provide certain regulatory safeguards to investors will not be applicable. Belstar currently relies on various exemptions from registration as an investment adviser at both the federal and state levels. Accordingly, certain provisions of the Advisers Act and comparable state laws do not apply to Belstar.

Effect of Default by an Investor. Upon the failure of an investor to pay any amount when required, the General Partner may, in its discretion, declare the investor in default, which may result in substantial

penalties to an Investor, including without limitation forfeiture of all or part of the interest of a defaulting Investor.

No Independent Legal Counsel. Legal counsel for Belstar does not serve as counsel for or represent the interests of Investors in connection with the activities of the Funds or any offering of interests, and such counsel disclaims any fiduciary or attorney-client relationship with Investors. The attorneys and certain other experts who perform services for Belstar, perform services for the Adviser and related entities and do not represent or perform services for Investors.

Investment and Transaction Opportunities. Conflicts of interest could arise in connection with securities transactions undertaken by the Funds, the SMA Client, other investment vehicles Belstar or its affiliates are currently or may in the future be involved with and any other advisory clients which Belstar manages. These transactions could differ in substance, timing, and amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to the Funds or other clients, or to limitations on the availability of particular investment or transactional opportunities. Belstar or its affiliates will allocate transactions and opportunities among its various client accounts in a manner it believes to be as equitable as feasible, considering each account's objectives, programs, limitations, and capital available for investment. Nonetheless, all accounts may not necessarily be invested in the same securities. Belstar or its affiliates also have no obligation to provide the Funds or any other account with any particular investment opportunity or to refrain from taking advantage of an investment opportunity that could be beneficial. If the Funds, and other investment portfolios Belstar and its affiliates manage, including other private investment funds, seek to buy or sell the same security at the same time, Belstar may combine purchase and sale orders on behalf of the Funds, with orders for those other portfolios, and allocate the securities or proceeds arising out of those transactions (and the related transactions expenses) on an average price basis among the various participants in the transactions. While Belstar believes that combining transaction orders in this way is, over time, advantageous to all participants, in particular cases the average price could be less advantageous to certain of the Funds (and therefore the Investors than if only one Fund had been the sole account effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions will not be combined with those of other accounts Belstar may in the future manage even if such aggregation may be advantageous to a particular Fund. This may be because the level of Belstar's and/or its affiliates' financial interest in those other accounts may raise questions as to the appropriateness of such aggregation under applicable law. Or it may be because, for those other clients, Belstar has selected the broker-dealer, in part, in recognition of benefits those broker-dealers have provided or are willing to provide to Belstar. This may result in certain Funds obtaining less favorable execution than that obtained by such other clients.

Time Demands. Belstar and its portfolio managers are required to exercise their best judgment in the management of investments and to use their best efforts to carry out the investment objectives of the Funds. However, Belstar and its portfolio managers are required to devote to the Funds only such time as they deem necessary to conduct its services in an appropriate manner, and are not required to spend their full time on investment activities. Belstar and its portfolio managers may manage other accounts and portfolios and devote substantial time, attention and resources to such accounts and portfolios.

Business Continuity and Disaster Recovery. Belstar's business operations are vulnerable to disruption in the case of catastrophic events such as fires, natural disasters (e.g., tornadoes, floods, hurricanes, and earthquakes), epidemics and pandemics, terrorist attacks, or other circumstances resulting in property damages, network interruption or prolonged power outages. Although Belstar has adopted a policy to address business continuity and recovery in the event of such a disaster, there can be no assurance that all contingencies are planned for or that such preparations will be successful. If business operations are disrupted or suspended for extended periods of time, Belstar and the Funds may be adversely affected.

Cybersecurity. The operations of Belstar and the Funds are dependent on technology, information, and communication systems. A failure of any such system, a security breach, or a cyber-attack could significantly disrupt Belstar's operations and those of the Funds. The service providers of Belstar and the Funds are subject to the same cybersecurity threats as Belstar and the Funds. If a service provider fails to adopt, implement, or adhere to adequate cybersecurity measures, or in the event of a breach of its networks, information relating to the Funds, the Funds' operations and personal information relating to Investors may be lost, damaged or corrupted, improperly accessed, or improperly used or disclosed.

Counterparty Risk. There are risks involved in dealing with the banks, custodians, and broker-dealers, as well as other securities intermediaries engaged by the Firm. Although the Firm monitors the banks, custodians, broker-dealers, and securities intermediaries, and believes that they are appropriate banks, custodians, broker-dealers, and securities intermediaries, there is no guarantee that the banks, custodians, broker-dealers, and securities intermediaries, or any other banks, custodians, broker-dealers, or securities intermediaries that the Clients may use from time to time, will not become bankrupt, insolvent, or otherwise cease to operate normally. While the U.S. Bankruptcy Code, the U.S. Securities Investor Protection Act of 1970, regulatory agencies including the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation, and applicable bank insolvency laws seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a bank or broker-dealer, there is no certainty that, in the event of a failure of a bank or broker-dealer that has custody of Client assets, the Clients would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Item 9 - Disciplinary Information

Neither Belstar nor any of its management persons have been involved in any criminal or civil actions in a domestic, foreign or military court.

Neither Belstar nor any of its management persons have been subject to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither Belstar nor any of its management persons have been subject to a proceeding before any self-regulatory organization.

Item 10 - Other Financial Industry Activities and Affiliates

Certain of Belstar Financial Industry Affiliates are in the investment advisory business. Belstar's relationships with these Financial Industry Affiliates are neither material to Belstar's business or its Clients, nor creates a material conflict of interest with Belstar's Clients.

Neither Belstar nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

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

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

Code of Ethics

Belstar has adopted a Code of Ethics (the “**Code**”) pursuant to Rule 204A-1 of the Advisers Act that establishes certain standards of conduct and rules for its employees and/or access persons (as applicable). A summary of the Code is provided below. All access persons of Belstar must acknowledge annually that they understand and agree to the terms of the Code.

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

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

Belstar will provide prospective and existing investors with a copy of the Code upon written request.

Personal Trading

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

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

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

Gifts and Entertainment, Political Activities and Outside Activities

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

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

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

Participation or Interest in Client Transactions

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

Belstar generally intends to execute Cross Trades, if at all, with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction.

Additional Considerations

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

Item 12 - Brokerage Practices

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

Portfolio transactions for the Funds and any other Client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Adviser and/or certain Investors, but not beneficial to all Investors. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances, and provide other services, Belstar may consider, among other factors that are deemed appropriate to consider under the circumstances, the following, without limitation: financial stability and reputation of brokerage firms, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, custodial and other services provided for the enhancement of Belstar's portfolio management

capabilities, the size and type of the transaction, the difficulty of execution and the ability to handle difficult trades, and the operational facilities of the brokers and/or dealers involved (including back office efficiency) and the research, brokerage or other services provided by such brokers.

Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Belstar need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Belstar nor the Clients separately compensate any broker or dealer for any of these other services.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934, as amended ("**Section 28(e)**"), is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Belstar has not entered into soft dollar arrangements with brokers. If Belstar decides to engage in soft dollar arrangements, the Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include: 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 brokers on order execution and certain proxy services. Brokerage services within Section 28(e) may include: services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager 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. The use of commissions arising from the Funds' investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

Trade Aggregation and Allocation Policies and Procedures

It is the policy of Belstar to allocate investment opportunities to the Clients on a fair and equitable basis, to the extent practical and in accordance with the Funds' or other accounts' applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: whether the risk-return profile of the proposed investment is consistent with an account's objectives, the potential for the proposed investment to create an imbalance in an account's portfolio, the liquidity requirements of an account, potentially adverse tax consequences, regulatory restrictions that would or could limit an account's ability to participate in a proposed investment, and the need to re-size risk in an account's portfolio.

Belstar will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Funds or other accounts solely because Belstar purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another account

or the Funds if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Funds or the other account.

Trade Errors

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

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

Pursuant to the exculpation and indemnification provided by the Clients to Belstar and its affiliates and personnel, Belstar and its affiliates and personnel will generally not be liable to the Clients for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Clients will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Clients, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Clients (and not the Adviser) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. Belstar will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. Belstar will reimburse the Clients for losses for which the Adviser is responsible under the exculpation provisions.

Item 13 - Review of Accounts

Belstar performs continuous reviews of the Funds' and the SMA Client's portfolios, as well as various other periodic formal and informal reviews.

Investors in the Funds generally receive monthly commentary letters, as well as monthly account statements. Belstar may, in its discretion, provide certain investors with additional information on a more frequent basis upon request. In addition, Belstar provides investors audited financial statements concerning the respective Funds within 120 days of the end of each Fund's fiscal year.

Item 14 - Client Referrals and Other Compensation

Although Belstar does not currently have and does not intend to have any third-party placement agents, Belstar in the future may agree to pay third-party placement agents that refer investors to a Fund or separately managed account. The compensation typically paid to those placement agents includes a portion of the fixed fee and/or Incentive Allocation earned by Belstar in respect of investors referred to by such

placement agents. Investors are generally not subject to any incremental fees in connection with the referral unless incremental fees are payable by the investor directly to the placement agent under the terms of the separate agreement between the Investor and the placement agent (to which Belstar is not a party).

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

Item 15 - Custody

Belstar does not have custody of client funds or securities and therefore is not required to comply with the requirements of the Rule 206(4)-2 of the Advisers Act ("**Custody Rule**").

However, Belstar has chosen to provide the Investors in the Funds with annual audited financials where (i) each Fund is subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("**PCAOB**"), (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**"), and (iii) each Fund distributes its audited financial statements to all Investors in the relevant Fund(s) within 120 days of the end of its fiscal year.

Item 16 - Investment Discretion

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

Item 17 - Voting Client Securities

The Belstar investment strategy does not generally involve the acquisition of public securities with voting authority, so it is unlikely that Belstar will be placed in a position of proxy voting authority. However, Belstar accepts and maintains the authority to vote client securities where applicable. Instances in which a proxy vote is available will be evaluated on a case-by-case basis.

Belstar's proxy voting policies and procedures and a summary of how the Adviser has voted any proxies shall be made available on request to investors.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. The Adviser is not aware of any financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Clients and has not been the subject of a bankruptcy proceeding. The Adviser does not require or solicit

prepayment of more than \$1,200 in fees for any Client, six months or more in advance, and therefore has not included a balance sheet.