

**Form ADV Part 2A: Firm Brochure**

March 28, 2024

**Item 1: Cover Page**

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Bardin Hill Arbitrage IC Management LP is an investment adviser that is registered with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

**This brochure provides information about the qualifications and business practices of Bardin Hill Arbitrage IC Management LP. If you have any questions about the contents of this brochure, please contact us at (212) 303-9498. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Bardin Hill Arbitrage IC Management LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2: Material Changes**

We last filed an annual updating amendment to this Brochure in March 2023. We are required to identify and discuss material changes made to this Brochure since that last annual update. While this update to our Brochure contains changes and updates to certain information, we do not believe that they constitute material changes to the Brochure filed in conjunction with our last annual updating amendment. Please review this Brochure in its entirety.

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#### **Item 4: Advisory Business**

Bardin Hill Arbitrage IC Management LP (referred to as “IC Management” or “we”) was founded in November 2013. IC Management is an investment advisory services firm focusing on liquid investment strategies for registered investment company clients (referred to as “RICs”). IC Management provides investment advisory services pursuant to sub-advisory agreements with unaffiliated investment managers on behalf of certain open-end investment companies registered under the Investment Company Act of 1940, as amended.

The sole limited partner of IC Management is Bardin Hill Investment Partners LP (“BHIP”) and Bardin Hill Investment Partners GP LLC is the general partner of IC Management. BHIP is an investment advisory services firm for private investment funds. IC Management’s regulatory assets under management are estimated to be \$52,392,586 as of December 31, 2023. IC Management and its affiliates (referred to as “Bardin Hill”) manage approximately \$5.1 billion in client assets as of December 31, 2023, for a diverse group of advisory client funds and accounts. Bardin Hill is based in New York. Jason O. Dillow is the Chief Executive Officer and, indirectly, is the principal owner of Bardin Hill. Gian Maria Magrini serves as a Portfolio Manager, and Ryan Kahn serves as an Associate Portfolio Manager, for IC Management. Bardin Hill draws on the skills and experience of approximately 58 partners and other employees (referred to collectively as “Employees”), approximately 24 of whom are investment professionals.

IC Management seeks to identify structural market inefficiencies and situations where its research suggests the risk is less asymmetric than for similar strategies, particularly with respect to merger arbitrage opportunities.

We tailor advisory services to the individual needs and specified investment mandates of our advisory clients. We adhere to the investment restrictions set forth in the sub-advisory agreement with the investment manager of each advisory client. Subject to the requirements of the sub-advisory agreements, we have full discretionary authority over the investment program of the assets allocated to us by the investment manager of each advisory client. We do not participate in wrap fee programs.

#### **Item 5: Fees and Compensation**

IC Management receives compensation from the investment managers of the advisory clients calculated as a percentage of the assets under management by IC Management. Neither IC Management nor any of IC Management’s Employees receives any transaction-based compensation for the sale of securities or other investment products.

The asset-based fees with respect to RICs are calculated by the RIC’s principal investment manager on the average daily allocated assets in accordance with the relevant RIC’s methodology and paid by the principal investment manager to IC Management monthly or quarterly in arrears, subject to pro-rata in the event the relevant sub-advisory agreement is terminated before the end of the fee period.

RICs are generally responsible for all costs and expenses directly related to portfolio investments or prospective investments (whether or not consummated), including payment of brokerage commissions, transfer fees, registration costs, interest on debit balances or borrowings, commitment fees, custodial fees any withholding or transaction related taxes.

When Bardin Hill incurs expenses on behalf of multiple advisory clients, it seeks to allocate the expenses among the applicable advisory clients in a fair and equitable manner and consistent with the advisory clients' governing documents. We typically allocate expenses directly related to a specific investment among advisory clients based on the relative value of the positions being acquired, held or sold, and shared expenses not directly related to a specific investment are generally allocated based on the relative net asset value of advisory client accounts to the extent the relevant sub-advisory agreement permits charging such expenses to the advisory client. However, we may apply other expense allocation formulas and methods at our discretion. We cannot guarantee the accuracy of all expense allocations and are not financially responsible for incorrect allocations in the absence of a breach of the standard of care set forth in the relevant sub-advisory agreement. Bardin Hill is at times subject to a conflict of interest in determining whether to allocate expenses to one advisory client, among several advisory clients, or among Bardin Hill and advisory clients. In order to address such conflicts, Bardin Hill seeks to allocate expenses in a fair and equitable manner, consistent with applicable disclosures in relevant governing documents.

For more information on brokerage transactions and costs, please see Section 9: Brokerage Practices.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

IC Management does not receive performance-based compensation in connection with its sub-advisory services to RICs. However, IC Management's affiliates do receive performance-based compensation for their services to other advisory clients which may invest in the same positions as IC Management's advisory clients. There is a potential conflict of interest in favoring advisory clients subject to performance compensation over those that are not subject to performance-based compensation. Bardin Hill's investment allocation policy prevents IC Management and its affiliates from taking compensation into account when allocating limited investment opportunities.

#### **Item 7: Types of Clients**

We provide advisory services solely to RICs by entering into sub-advisory agreements with their investment managers.

#### **Item 8: Method of Analysis, Investment Strategies, and Risk of Loss**

##### Investment Strategy

IC Management seeks to identify structural market inefficiencies and situations where its research suggests the risk less asymmetric than for similar strategies, particularly with respect to merger arbitrage opportunities.

## Method of Analysis

IC Management's investment research and analysis begins with idea generation, a process which is highly collaborative. Analysts and Portfolio Managers source and evaluate ideas from proprietary research, sell-side analysts, industry experts, company contacts, buy-side peers, news media, and other third-party sources as well as from professional colleagues working across Bardin Hill's various investment platforms.

IC Management investment professionals generally meet every morning to discuss the macro environment, news related to the portfolio, contemplated investments, and new ideas. Portfolio Managers and analysts from other Bardin Hill strategies also frequently attend these morning meetings, thereby allowing IC Management to leverage their unique and varied expertise. Analysts work with Portfolio Managers to research each investment idea and existing positions in an iterative fact-finding process. Generally, extensive proprietary qualitative and quantitative analysis, legal due diligence, and information gathered from various internal Bardin Hill and third-party sources are all integral to the research process.

Investment decisions are made on a bottom-up basis. Position sizes are determined in connection with risk limits obtained by using downside analyses based on internal estimates. IC Management takes an opportunistic and value-oriented approach to each new investment allocation, applying each applicable advisory client's investment guidelines and IC Management's portfolio construction techniques to size the positions appropriately.

This bottom-up approach is supplemented by a top-down overlay, whereby Portfolio Managers seek to limit the risk of individual positions according to various shock-drawdown scenarios and take into account macroeconomic and market conditions during the portfolio construction process. Moreover, portfolios, in addition to being hedged at the position level, are also hedged at the portfolio level.

## Risk of Loss

IC Management's dedication to the rigorous management of risk within and across subsets of its portfolios is designed to identify and address effectively the sorts of risk inherent in the types of transactions in which our advisory clients participate. However, despite our risk management process, investing in any securities or other assets involves a risk of loss that our advisory clients and the investors in our advisory clients must be prepared to bear.

Examples of potential areas of risk associated with the investment strategy in which we engage are:

High Turnover. IC Management trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate may be significant, potentially involving substantial brokerage commissions, related transaction fees, and expenses and financing charges.

Equity Securities Generally. IC Management's advisory clients engage in trading equity securities. Market prices of equity securities generally, and of certain companies' equity

securities more particularly, frequently are subject to greater volatility than prices of fixed-income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on numerous occasions in the past, and they may do so again in the future. As a result, Bardin Hill's advisory clients may suffer losses if they invest in equity instruments of issuers whose performance diverges from Bardin Hill's expectations or if equity markets generally move in a single direction and Bardin Hill's advisory clients have not hedged against such a general move. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of accounting irregularities.

Merger Arbitrage. Our merger or "risk" arbitrage strategy depends upon our ability to identify merger activity to capture (or sell short) the spread between current market values of securities and their values after successful completion of a merger, restructuring, or similar corporate transaction. Merger arbitrage investments may incur significant losses when anticipated merger or acquisition transactions are not consummated. The consummation of mergers, tender offers, and exchange offers may be prevented or delayed by a variety of factors including: (i) regulatory and antitrust restrictions, (ii) political factors, (iii) industry weakness, (iv) stock-specific events, (v) failed financings, and (vi) unforeseen circumstances. Merger arbitrage positions are also subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the positions may be exposed to loss. Merger arbitrage strategies also depend for success on the overall volume of merger activity, which historically has been cyclical in nature.

Non-Controlling Investments. IC Management advisory clients typically make non-controlling investments and, therefore, may have a limited ability to protect its investments and may be adversely affected by actions taken by the majority equity holders of the portfolio companies in which they invest.

Purchasing Securities of Initial Public Offerings. IC Management's advisory clients may purchase securities or other instruments of companies involved in initial public offerings or shortly thereafter. Special risks associated with these securities or other instruments may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for IC Management advisory clients to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Small and Medium Capitalization Companies. We may invest a portion of our clients' assets in the securities or other instruments of companies with small to medium-sized market capitalizations. While IC Management believes such securities or other instruments often provide significant potential for appreciation, the securities of certain companies,

particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities or other instruments of larger companies. For example, prices of small-capitalization and even medium-capitalization securities or other instruments are often more volatile than prices of large-capitalization securities or other instruments, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities or other instruments of some small-capitalization companies, an investment in those companies may be illiquid.

Interest Rate Fluctuations. The prices of securities or other investments tend to be sensitive to interest rate fluctuations, and unexpected fluctuations in interest rates could cause the corresponding prices of positions to move in directions which were not initially anticipated. For example, as interest rates rise, the market value of fixed income securities and similar assets tends to decrease. Conversely, as interest rates fall, the market value of fixed incomes securities and similar assets tends to increase. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose advisory clients to losses.

Investments in Unregistered Securities. We may invest a portion of our advisory clients’ assets in unregistered securities or other instruments, including investments in new and early-stage companies or companies undergoing operational or financial restructuring, which may involve a high degree of business and financial risk that can result in substantial losses. Because of the possible absence of a liquid trading market for these investments, it may take longer to liquidate these positions than would be the case for publicly traded securities or other instruments, or it may not be possible to liquidate them. Although these securities or other instruments may be resold in privately negotiated transactions, the prices realized on these sales could be substantially less than those originally paid by our advisory clients. Further, companies whose securities or other instruments are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities or other instruments.

Competition. The success of investments typically depends on our ability to identify or exploit opportunities more efficiently than other market participants. The ability to do so may be adversely affected as a result of the highly competitive nature of the asset management industry.

Leverage. Subject to legal and contractual restrictions and applicable law, IC Management generally has the discretion to use borrowing and other forms of leverage, including through the use of derivative instruments in our strategies. While the use of leverage can amplify the profit on successful investments, it can also amplify the losses incurred on unsuccessful investments.

Limited Liability and Indemnification. Each sub-advisory agreement limits the instances in which IC Management may be held liable. In addition, IC Management and its affiliates are entitled to indemnification by each advisory client with respect to their services in the

absence of a breach of IC Management's standard of care, which can result in significant financial burden borne by the advisory client.

Conflicts of Interest. As described elsewhere in this brochure, IC Management is subject to various conflicts of interest as a result of Bardin Hill's management of multiple advisory clients, the nature of our compensation arrangements, and our relationship with the affiliated management companies and other accounts managed by them. The existence of these conflicts of interest may influence the independence of IC Management's judgment. This brochure and Bardin Hill advisory clients' offering documents contain information about how IC Management manages these conflicts.

General Economic and Market Conditions. The success of each IC Management advisory client will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of such advisory client's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts, security operations and related sanctions regimes). These factors may affect the level and volatility of the prices and the liquidity of the relevant advisory client's investments. Volatility or illiquidity could impair such advisory client's profitability or result in losses. Each such advisory client may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Legal and Regulatory Environment. The legal and regulatory environment worldwide for private investment funds and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of IC Management's advisory clients to pursue their investment program. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of IC Management's advisory clients to pursue their investment programs or employ brokers and other counterparties could have a material adverse effect on such advisory clients.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which IC Management's advisory clients interact are all subject to systemic risk. A systemic failure could have material adverse consequences on IC Management's advisory clients and on the markets for the investments in which such advisory clients seek to invest.

Catastrophe Risks. Advisory clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which an advisory client invests (or has a material negative

impact on the operations of Bardin Hill or any service provider to Bardin Hill or the advisory clients), the risks of loss can be substantial and could have a material adverse effect on the advisory clients and their investments.

Banking Relationships. Bardin Hill and Bardin Hill's advisory clients will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "Banking Institutions"), which may include both U.S. and non-U.S. Banking Institutions from time to time. Bardin Hill advisory clients may also enter into credit facilities and have other relationships with Banking Institutions as contemplated elsewhere. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of Bardin Hill or Bardin Hill's advisory clients to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on Bardin Hill's advisory clients. For example, in such a scenario, Bardin Hill's advisory clients could be forced to delay or forgo an investment or a distribution, including in connection with a withdrawal, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, Bardin Hill or Bardin Hill's advisory clients may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). Bardin Hill does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its or Bardin Hill's advisory clients' banking relationships, and there can be no assurance that Bardin Hill or Bardin Hill's advisory clients will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

Systems and Operational Risks Generally. IC Management advisory clients depend on IC Management to develop and implement appropriate systems for such advisory clients' activities. They rely heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of such advisory clients' activities. In addition, those advisory clients rely on information systems to store sensitive information. Certain of IC Management's and its advisory clients' activities will be dependent upon systems operated by third parties, including prime brokers, administrators, market counterparties and other service providers, and IC Management may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by IC Management, prime brokers, administrators, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in

mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the IC Management's operations may cause the IC Management advisory clients to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage.

Counterparty Risk. Many IC Management advisory clients expect to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit such advisory clients to trade in any variety of markets or asset classes over time. However, there can be no assurance that such relationships will be able to be established or maintained. An inability to establish or maintain such relationships could limit an IC Management advisory client's trading activities, create losses, preclude it from engaging in certain transactions or prevent it from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on any such advisory client's business.

Such advisory clients may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, such advisory clients enter into a contract directly with dealer counterparties which may expose such advisory clients to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, such advisory clients may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if such advisory clients had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that IC Management advisory clients post collateral. In addition, IC Management advisory clients may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to an IC Management advisory client's assets are subject to substantial limitations and uncertainties.

Litigation Risk. Investment strategies employed by certain IC Management advisory clients can be contentious and adversarial. Different stakeholders in an investment may have qualitatively different, and frequently conflicting, interests. Certain IC Management advisory clients' investment activities may include activities that will subject such advisory clients to the risk of becoming involved in litigation by third parties. This risk may be greater where the relevant advisory client exercises control or significant influence over an investment. Advisory clients could also be party to lawsuits either initiated by them, by a company in which such advisory clients invest, other shareholders of such company, or U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the relevant IC Management advisory client. Moreover, the expense of defending against claims against an advisory client by third parties and paying any amounts pursuant to settlements or judgments would

generally be borne by such advisory client and would reduce net assets and could require the investors therein to return distributions to such advisory client, as applicable.

Cybersecurity Risk. As part of its business, IC Management processes, stores and transmits large amounts of electronic information, including information relating to the transactions of IC Management advisory clients and personally identifiable information of the investors therein. Similarly, service providers of IC Management and its advisory clients may process, store and transmit such information. IC Management has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to IC Management may be susceptible to compromise, leading to a breach of IC Management's network. IC Management's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by IC Management to investors in IC Management's advisory client vehicles may also be susceptible to compromise. Breach of IC Management's information systems may cause information relating to the transactions of its clients and personally identifiable information of the investor therein to be lost or improperly accessed, used or disclosed. C

The service providers of IC Management and its advisory clients are subject to the same electronic information security threats as IC Management. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of a IC Management advisory client and personally identifiable information of the investors therein may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of IC Management's or its advisory clients' proprietary information may cause IC Management or its advisory clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

The offering documents for advisory clients and the summary of risk factors that we provide to investors in our advisory clients contain a discussion of various risk considerations that is more extensive in scope and depth than the foregoing summary.

#### **Item 9: Disciplinary Information**

There have been no legal or disciplinary events involving IC Management or any of our executive officers that are material to an advisory client's or prospective advisory client's evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliates**

IC Management is affiliated with BHIP and all of its affiliated relying advisers. BHIP is separately registered with the Securities and Exchange Commission as an investment adviser, and information concerning it and all of its relying advisers is included in its own Form ADV Part 1 and Part 2.

Our investment professionals participate in managing the portfolios of more than one advisory client and in many instances, on behalf of more than one investment advisory entity. As a result, they do not devote their exclusive attention to any single advisory client or any single management company. Additionally, each of IC Management's and Bardin Hill's advisory clients have investment objectives, programs, strategies and positions that are similar or dissimilar to, or may conflict with those of, Bardin Hill's and IC Management's other advisory clients. IC Management or Bardin Hill may, in their discretion, make investment recommendations and decisions for one advisory client that are the same as or different from those made by IC Management or Bardin Hill with respect to any other advisory client.

Mindful of the presence of potential conflicts of interest, IC Management seeks to act fairly when allocating investment opportunities. IC Management has adopted written policies and procedures that are designed to ensure fair allocations over time. In particular, our policy prevents us from taking into account fee or other compensatory differences in allocating an investment opportunity.

The investment activities of one or more of Bardin Hill's advisory clients can result in the imposition of restrictions on the flexibility of other advisory clients. For example, if Bardin Hill obtains material non-public information concerning a company on behalf of an advisory client in connection with a privately negotiated transaction, other advisory clients may be unable to trade in securities of the same company in the public markets. In addition, such accounts may compete with the RICs for investment opportunities or otherwise pursue different interests within the same portfolio companies to the extent permitted by applicable law, including investing in securities of the same companies with different seniority, participating in litigation or pursuing activist tactics. Requirements imposed by the Investment Company Act with respect to IC Management's investment activities may indirectly result in some prohibitions and restrictions on the investment activities of one or more of Bardin Hill's advisory clients, and in seeking to minimize these restrictions when possible, consistent with applicable law and its internal policies, IC Management may determine not to invest in a position on behalf of a RIC even if such position is appropriate for a RIC.

IC Management does not plan to engage in cross trades among accounts managed by it or by Bardin Hill. However, to the extent permitted by the relevant sub-advisory agreement and to the extent IC Management determines to engage in any such transaction, it will do so only upon a determination that such transaction is in the best interests of each of the participating advisory client accounts and with the consent of the relevant advisory client if consent is required by applicable law, contract or in other appropriate circumstances as determined by IC Management. In addition, any cross trades affecting RICs are subject to

the requirements of Rule 17a-7 under the Investment Company Act of 1940, as amended. See also Section 9: Trade Aggregation and Allocation.

Bardin Hill's advisory clients may make and/or hold an investment in an issuer's securities or other instruments that may be *pari passu*, senior or junior in ranking to an investment in such issuer's securities or other instruments made and/or held by another advisory client. Investment in different tranches of an issuer's capital structure (or in the same tranche of an issuer's capital structure), in each case, by different advisory clients may present a conflict of interest if the issuer becomes insolvent, suffers financial distress or is subject to an extraordinary transaction, such as a merger. Bardin Hill has implemented proxy voting policies and investment screening procedures which aim to minimize these potential conflicts and will seek to manage any such potential conflicts in a manner that is fair and equitable to all advisory clients on an overall basis. The resolution of potential conflicts may result in certain advisory clients receiving less beneficial treatment than if they were Bardin Hill's only clients. Certain of Bardin Hill's advisory clients may take positions that are adverse to other advisory clients, including with respect to litigation or corporate governance issues affecting positions in which more than one advisory client managed by Bardin Hill is invested.

#### **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

- A. IC Management and its affiliated management companies have adopted a Code of Ethics in accordance with legal requirements. The Code of Ethics is designed to ensure that the interests of Employees do not conflict with the interests (including transactions) of our advisory clients. The Code of Ethics is based on the principle that IC Management and its Employees owe a fiduciary duty to its advisory clients and their investors. Thus, Employees must, among other things, (i) place the interests of our advisory clients and their investors first, (ii) avoid taking inappropriate advantage of their positions within IC Management, and (iii) conduct their personal securities and other investment transactions in full compliance with the Code of Ethics. Policies adopted by IC Management with which all Employees (and, in certain circumstances, members of their families and other related persons) must comply include, but are not limited to, preapproval of certain personal investment transactions by the Chief Compliance Officer or their designee, annual certification of compliance with the Code of Ethics and requiring brokers to provide IC Management with duplicate confirmations of all personal transactions and other periodic personal account statements. IC Management provides a copy of its Code of Ethics to any advisory client, any investor, or any prospective advisory client or investor that requests one, and a copy of its Code of Ethics is filed with the registration statement of each RIC that it advises or sub-advises.
- B. Employees do not recommend to advisory clients, nor do they buy or sell for advisory clients, securities or other instruments in which they have a material financial interest. IC Management's related persons invest personally in some of our advisory clients. These investments could theoretically pose a conflict of interest with our other advisory clients because Employees may be motivated to allocate time, attention, and/or investment opportunities to the advisory clients in which they invest at the expense of other advisory

clients. IC Management has adopted written policies and procedures governing the allocation of investment opportunities among advisory clients in a fair and equitable manner.

IC Management has a comprehensive set of procedures in place to address potential conflicts that may arise between Employees and advisory clients when investing in the same securities or instruments and to align incentives properly. The Code of Ethics generally provides that, except as authorized in writing by the Chief Compliance Officer or their designee, no Employee may purchase or direct transactions for the purchase of securities of public and private issuers and other instruments in personal accounts (subject to certain limited exceptions that do not pose potential conflicts of interest). Moreover, no Employee may affect a transaction in a personal account on the day before, the same day, or the day after a day Bardin Hill is purchasing and/or selling that same security or instrument on behalf of an advisory client. The Code of Ethics also provides that all Employees must notify IC Management of all relevant existing personal accounts and must obtain approval from the Chief Compliance Officer or their designee prior to the opening of any new relevant personal account. Copies of confirmations of all relevant personal transactions and any other information reflecting account or transactional activity involving personal accounts must be provided to IC Management. In the limited circumstances in which personal trading activities are permitted, the Chief Compliance Officer or their designee approves all relevant proposed transactions involving personal accounts prior to execution. The Chief Compliance Officer or their designee also conducts a quarterly review of relevant personal accounts to examine trades executed during the previous quarter and related statements to determine whether all the accounts are maintained in compliance with the requirements and restrictions described above. Violations of the firm's policies are subject to disciplinary action, including dismissal.

#### **Item 12: Brokerage Practices**

In selecting broker-dealers and determining the reasonableness of their commissions for our advisory clients' transactions, IC Management takes into account a number of factors, including the following: ability to secure future investment opportunities; quality and reliability of brokerage services; commissions or other fees for executing the orders; price; the broker's or dealer's facilities; financial responsibility; the ability of the broker or dealer to effect transactions, particularly with regard to aspects such as timing, order size and execution of orders; and the research and other investment-related services provided by the broker or dealer to IC Management in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended (or in the case of certain instruments for which the "safe harbor" is not available, IC Management will evaluate the amount of spread charged in relation to the value of the research and other brokerage services provided) to enhance its general portfolio management capabilities, notwithstanding the fact that specific advisory clients may not be direct or exclusive beneficiaries of these services. IC Management executes trades for advisory clients with broker-dealers with which IC Management has other business relationships, including prime brokerage, credit relationships and capital introductions and investment relationships whereby affiliates of the broker-dealers invest in advisory client entities. We do not take advisory client or investor referrals into account in selecting broker-dealers.

IC Management does not utilize “soft dollar” commissions to purchase third-party research and other services. We do, however, consider a broker-dealer’s proprietary research in selecting broker-dealers and determining the commission rates. Accordingly, IC Management may cause an advisory client to pay a commission for effecting a transaction for the advisory client in excess of the amount another broker or dealer would have charged for effecting that transaction, where it determines in good faith that this commission is reasonable in relation to the value of the brokerage and/or research services the broker or dealer provides to IC Management. IC Management does not put a specific dollar value on the research or brokerage services of any broker or dealer and does not allocate the relative costs or benefits of research, because IC Management believes that the research received is, in the aggregate, of assistance in fulfilling IC Management’s overall responsibilities to its advisory clients.

Bardin Hill has a Broker Review Committee meets quarterly to ensure that our obligation to seek best execution in trading activities for the benefit of all advisory clients is being met. The Broker Review Committee, the members of which include various officers and Employees, review internally generated records and externally prepared reports bearing on the selection of broker-dealers, including: the approved list of executing brokers; commission reports; gift and entertainment logs; reports analyzing Bardin Hill’s use of broker-dealers and; a report containing the results of a broker vote by certain Bardin Hill investment professionals.

The research services that broker-dealers might provide include written information and analyses concerning specific investments, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. In some cases, research services that are generated by third parties may be provided by or through the brokerage firm to which commissions are paid. Using advisory client transactions to obtain research and other benefits which IC Management does not have to buy or produce on its own may create incentives that could result in conflicts of interest. When IC Management uses advisory client markups or markdowns to obtain research products and services, it receives a benefit because it does not have to produce or pay for the research products and services. The availability of these benefits creates the potential that we might be influenced to select one broker-dealer rather than another to perform services for advisory clients based on our interest in receiving the products and services rather than on our advisory clients’ interest in receiving the best execution prices. Obtaining these benefits may cause our advisory clients to pay higher fees than those charged by other broker-dealers. To mitigate risks of conflicts of interest, IC Management does not permit advisory clients to direct us to execute transactions through a specified broker-dealer.

#### Trade Aggregation and Allocation

Bardin Hill has adopted comprehensive policies regarding trade aggregation and allocations of investments. Where appropriate, transactions for our advisory clients and advisory clients of our affiliated management companies are aggregated for execution purposes, so long as IC Management determines in good faith that aggregation is likely to

result in relatively better prices, lower commission expenses, beneficial transaction timing or a combination of these and other factors, provided that IC Management is not required to aggregate any trades. If purchases or sales of assets for multiple advisory clients are affected simultaneously, and to the extent aggregate transactions are executed at slightly different prices, the average transaction price is used instead.

Advisory clients are allocated investment opportunities suitable in light of their respective investment mandate, investment restrictions and guidelines (if any), available capital, and other relevant factors pursuant to Bardin Hill's allocation policy. IC Management and its affiliated management companies, in their discretion, make investment decisions with respect to each advisory client that may be the same as or different from those made for other advisory clients. Bardin Hill's allocation policy requires IC Management and its affiliated management companies to act fairly and equitably over time in allocating limited investment (and divestment) opportunities that may be suitable for multiple advisory clients and to ensure that no advisory client is intentionally or systematically favored at the expense of other advisory clients, including as a result of better compensation arrangements or the level of proprietary capital invested in an advisory client. Bardin Hill determines trade allocation prior to the execution and in the absence of other considerations and generally allocates each trade pro rata among all advisory clients for which such trade is appropriate on the basis of the daily capital balance of each such advisory client (factoring in redemptions and subscriptions). Bardin Hill makes non pro rata allocations in light of a variety of relevant factors affecting advisory client accounts, including account liquidity (including an account's cash availability, other liquidity obligations in light of investor redemptions, commitments to other investments, and availability of leverage); written investment restrictions contained in applicable investment management or other relevant operating agreements; investment strategies and time horizons; applicable legal and regulatory restrictions, including whether or not an account is deemed to be "plan assets" under ERISA; risk tolerance; advisory client approval (in the case of advisory clients that retain a degree of investment discretion); tax considerations; applicable limitations on credit, clearing and custody; rounding to multiples of trading lot sizes or the avoidance of creating odd-lots; adjustments for accounts in ramp-up or wind-down phases, based on one or more criteria, including the expected or target account size (e.g., Bardin Hill may allocate investments to a closed-end vehicle after its initial close using a good faith assessment of assets to be included in the vehicle upon subsequent closes), anticipated opportunities to acquire or sell an investment, or anticipated subscriptions or redemptions; priority afforded to the advisory clients of the management company generating the investment idea; and extraordinary corporate actions or corporate events impacting a proposed allocation. At IC Management's discretion and subject to applicable law, advisory clients' portfolios may be rebalanced from time to time to reflect capital changes.

#### Trade Errors

IC Management has adopted policies and procedures regarding trade errors (each a "Trade Error"). IC Management defines a Trade Error as the settlement of a transaction by IC Management on behalf of an advisory client on terms other than those intended by IC Management. Errors resulting from other causes, including (i) trades implemented as a result of faulty data, systems or modeling, (ii) trades that are improperly executed but

corrected prior to their settlement, (iii) trades that are properly executed and settled but result in losses, (iv) errors committed by other persons (including brokers and custodians) and (v) which are otherwise caused by human error other than those specifically described in IC Management's Trade Error Policy, are not considered Trade Errors. The loss of an investment opportunity also is not considered a Trade Error.

IC Management seeks to avoid Trade Errors and to resolve Trade Errors that do occur in a prompt manner. IC Management's responsibility to bear losses is governed by the applicable advisory client governing documents and advisory agreements. Typically, IC Management will only incur liability for losses arising from Trade Errors in cases of IC Management's gross negligence or willful misconduct. IC Management may reimburse advisory clients for losses arising from Trade Errors that are not the result of gross negligence or willful misconduct, at IC Management's discretion. Generally, *de minimis* losses resulting from Trade Errors will be borne by advisory clients.

### **Item 13: Review of Accounts**

- A. IC Management has adopted policies regarding and has formed committees responsible for the review of its advisory clients' portfolios. In constructing portfolios, the IC Management Portfolio Managers apply both bottom-up and top-down considerations, limiting risk of individual positions according to various shock-drawdown scenarios and taking into account macroeconomic and market conditions. Portfolios are hedged at the position level as well as the portfolio level. Exposure to equity and credit markets, commodity markets, currency, and sector risk are considered in this context. Equity market-based hedges are typically largely out-of-the money, the purpose being to purchase effective "drawdown insurance" at a reasonable cost.

Two separate bodies meet regularly to oversee the risk management processes. The independent Risk Management Committee, chaired by the Chief Financial Officer, conducts a rigorous bottom-up, position-based risk analysis. On a continual, as-needed basis and, at least, bi-monthly, research analysts provide input on the positions for which they are responsible to the Risk Management Committee, which independently evaluates the shock-drawdown risk associated with each position. To the extent the Risk Management Committee disagrees with a research analyst with respect to downside scenarios, the research analyst must provide support to justify the position. If the Risk Management Committee cannot come to an agreement with the research analyst on the potential downside, it must immediately consult with the Portfolio Managers.

This bottom-up process is supplemented by a top-down overlay. The Risk Oversight Committee meets weekly to consider macro-level economic and market trends and to assess the advisory client portfolios, focusing on managing risk in a manner consistent with each advisory client's operating agreements and guidelines. At these weekly meetings, the Risk Oversight Committee reviews and may adjust limits to position size, industry exposure, commodity risk, systemic risks, and other concentrations and assess portfolio-level and position-level hedges. The Risk Oversight Committee also considers the strategy mix and the biggest risks among the holdings, taking into account macro-economic

conditions, the regulatory framework, the geopolitical climate, secular risks and the potential for companies and/or specific industries to implode.

Bardin Hill also actively manages counterparty, technology, and operational risk as well as conflicts of interest through various committees, including our Risk Committees, the Valuation Committee, the Systems and Information Technology Committee, the Expense Committee the Broker Review Committee, the Responsible Business and Investment Committee and the Conflicts Committee.

- B. We provide to our advisory clients such information as may be required by them and agreed with them pursuant to the relevant sub-advisory agreement.

#### **Item 14: Client Referrals and Other Compensation**

IC Management does not, nor do any Employees, receive any economic benefit from non-clients for providing advisory services to our advisory clients. Additionally, IC Management is not affiliated with any broker-dealers.

#### **Item 15: Custody**

Each advisory client establishes accounts with its own qualified custodians, and neither IC Management nor any of our affiliates has authority to deduct fees or other expenses from the managed account assets. Our managed account advisory clients receive account statements directly from their own qualified custodians. We urge our advisory clients to carefully review the statements they receive from their qualified custodians and compare them with the periodic reports we send them.

#### **Item 16: Investment Discretion**

##### Scope of Authority

IC Management accepts discretionary authority to manage assets under the sub-advisory agreements, subject to the requirements set forth in these agreements. We have the authority to determine, without obtaining specific advisory client consent, which securities or other investments to buy or sell, the amount of securities or other investments to buy or sell, the broker through which we effect trades, if any, and the commission rates at which we effect trades. While we have been given this broad authority, IC Management is committed to adhering to the investment strategy and investment guidelines specified by our advisory clients. IC Management's discretion over the accounts is limited by investment guidelines negotiated with the advisory clients. IC Management has processes and procedures in place to verify that it is complying with any advisory client-imposed restrictions and adhering to each advisory client's investment strategy and objectives.

##### Procedures for Assuming Authority

Prior to providing investment advice to advisory clients, we require the advisory client to appoint us as discretionary agent of each portfolio that we manage. This gives us complete

discretionary authority to buy and sell any securities and other investments in the amounts and at the prices that we determine.

## **Item 17: Voting Client Securities**

### Proxy Voting Policy

IC Management's policy is to review each proxy or information statement on an individual basis and to base its voting or consent decision on its judgment about what will best serve the interests of its advisory clients. In determining how or whether to vote proxies or provide consents, IC Management does not subordinate the economic interests of its advisory clients to the interests of other persons or to IC Management's self-interest. Decisions are made by relevant Portfolio Managers and based on the financial interest of each advisory client in light of the specific applicable investment strategy. Each proxy proposal is considered on its own merits, and an independent determination is made whether to support or oppose management's position. Additionally, in certain circumstances, IC Management may determine that it is in the best interests of its advisory clients not to vote or consent or that a vote or consent is not required, for example, where the advisory clients' holdings are *de minimis*, when the proxy vote covers only routine corporate business, or where the advisory clients' positions were liquidated between the record date and the vote deadline.

IC Management's Operations Manager or his designee notifies relevant Research Analysts of pending corporate actions involving the advisory client portfolios. The Research Analyst assigned to the transaction or security consults with a member of the Investment Committee, which is responsible for the ultimate determination regarding the proper vote or consent, and with the Chief Compliance Officer. If in reviewing the corporate action, the Chief Compliance Officer (in consultation with the Investment Committee or others) determines that a material conflict may exist between IC Management's interests and those of its advisory clients, the Chief Compliance Officer will inform the Conflicts Committee of such potential material conflict. The Conflicts Committee will evaluate the potential or actual conflict and, in consultation with the member of the Investment Committee, will determine if a material conflict of interest exists, and if so will determine the appropriate course of action to resolve the conflict in the interests of its advisory clients. If a conflict cannot be resolved, the affected advisory clients will be informed of the conflict and explicit voting instructions will be solicited.

If no material conflict exists, or has been resolved, a member of the Investment Committee will, in accordance with IC Management's fiduciary duties, make a determination as to how to vote the proxy and communicate the decision to the Research Analyst. The Research Analyst will then communicate the decision by the member of the Investment Committee to the Operations Manager, typically prior to the close of business on the day prior to the vote deadline. The Operations Manager utilizes the website [www.proxyvote.com](http://www.proxyvote.com) to transmit the proxy vote or consent and receives confirmation of the vote or consent from the website. Upon receipt of said confirmation, the Operations Manager forwards the confirmation to the Chief Compliance Officer or their designee. The

Chief Compliance Officer or their designee retains this information for seven years from the date the proxy vote or consent is executed.

#### Recordkeeping

IC Management maintains the following records relating to proxy voting: copies of our proxy voting policies and procedures and any amendments; proxy statements received for advisory client securities and other assets; records of proxy votes cast on behalf of our advisory clients; records of written requests from advisory clients for proxy voting information and our written responses to any written or oral requests; and any documents that our Employees prepared that were material to deciding how to vote proxies or that memorialize the basis for a proxy vote. Upon request, any of our advisory clients or any of the investors in our advisory clients can obtain (1) a copy of our proxy voting policies and procedures and (2) information concerning proxy votes on its behalf.

#### **Item 18: Financial Information**

IC Management does not require nor do we solicit prepayment of more than \$1,200 in fees from advisory clients, six months or more in advance. IC Management is not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our advisory clients. IC Management has never been the subject of a bankruptcy petition.