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FORM ADV PART 2A

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This brochure provides information about the qualifications and business practices of Pearl Diver Capital LLP. If you have any questions about the contents of this brochure, please contact us at +44 203 967 8032. 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 Pearl Diver Capital LLP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There are no material changes to report.

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Item 4. Advisory Business

Structure; History and Ownership

Pearl Diver Capital LLP is an investment advisory firm with its principal place of business in London. Pearl Diver Capital LLP will be referred to in this brochure as “we,” “the firm” or “Pearl Diver Capital.”

The firm is organized as a limited liability partnership under the laws of the United Kingdom.

We commenced business in 2008 and we have been registered as an investment adviser with the Securities and Exchange Commission (“SEC”) since 2017.

The firm is owned by Indranil Basu and Chandrajit Chakraborty (the “Managing Partners”).

Types of Advisory Services

We provide non-discretionary investment advisory services to the general partners (the “general partners”) of a number of private investment funds (the “funds”) for use with respect to the funds. The general partners are our affiliates as they are under common control.

The funds offer securities to investors only through private placements of such securities. The detailed terms applicable to investors in the funds are described in the funds’ organizational documents and, with respect to certain of the funds, described in the fund’s confidential private placement memorandum.

Our investment strategies relate to the acquisition, holding, monitoring and realization of diversified portfolios of tranches of collateralized loan obligations (“CLOs”) issued by U.S. and European CLO vehicles, with a view to maximizing the profits distributed by the funds to investors in the context of prevailing economic conditions.

The investment strategies we employ for use with respect to the funds are described in greater detail below at Item 8 and in the offering documents of the funds (where applicable). We do not tailor the strategy to the needs of individual fund investors.

Although we do not have a direct contractual relationship with the funds, for U.S. regulatory purposes we treat the funds as clients of Pearl Diver Capital.

Assets Under Management

As of December 31, 2023 we managed \$96,462,539.00 of client assets on a discretionary basis and \$2,186,903,440 of client assets on a non-discretionary basis.

Item 5. Fees and Compensation

Fees

The funds pay two types of investment advisory fees: (i) an asset-based management fee; and (ii) a performance based fee (in the form of carried interest). A portion of those fees are paid to the general partners, of which the general partners pay a portion to Pearl Diver Capital. A separate portion of the fees are structured to be paid directly to our Managing Partners.

The fees payable with respect to each fund and the details of how the fees are calculated can be found in the organizational and, where applicable, offering documents of the funds, which are provided to potential investors.

Each fund generally has the right to enter into agreements with one or more of its investors providing for the waiver or modification of certain terms of the offering of fund interests, or certain rights and obligations of fund investors, including fees, otherwise applicable to such interest(s), in each case without notice to the other fund investors.

The fees payable by the funds are deducted from the assets of the funds.

Expenses

Each fund will generally be responsible for all of the preliminary costs and expenses incurred in relation to its formation. In addition, each fund will generally bear all costs and expenses incurred in connection with the firm's operation and administration of the fund, the fund's investments and divestments (and any investment vehicles established by the fund), its own legal, audit and tax advisory costs, and the fees of the administrator and other service providers.

A description of the brokerage and other transaction costs that will be borne by the funds are described in more detail in Item 12 (Brokerage Practices) in this brochure.

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

As described in Item 5 above, we receive part of our compensation from the funds in the form of performance-based compensation. We do not currently advise any clients that do not pay performance-based compensation, although certain share classes of two fund clients are not subject to performance compensation.

Although not currently anticipated, in the event that we should serve as the investment adviser to accounts that pay us an asset-based fee and not a performance-based fee, and were any such account to be simultaneously investing in the same asset as a performance fee-paying account, we would have a conflict of interest, because we can potentially receive greater fees from accounts having a performance fee structure than from those accounts to which we charge asset-based fees only. In which event, we would have an incentive to:

- direct the best investment ideas to, or allocate or sequence trades in favor of, the accounts that pay performance-based fees;
- use trades by an account that does not pay performance-based fees to benefit accounts that do pay performance-based fees, such as where the performance-based fee paying account sells short before a sale by the account that does not pay performance-based fees, or the performance-based fee paying account sells a security only after an account that does not pay performance-based fees has made a large purchase of the security; and
- benefit an account that pays performance-based fees over an account that does not pay performance-based fees and which has a different and potentially conflicting investment strategy.

We owe a fiduciary duty to our clients not to favor the account of one client over that of another, without regard to the types and amounts of fees paid by those accounts. In light of the conflicts of interest described above, in the event that we were to have such a conflict and have multiple accounts

simultaneously investing in similar assets, we would implement allocation policies and procedures to ensure that accounts are treated fairly. In general, allocations would be made pro-rata among accounts with a similar strategy.

Item 7. Types of Clients

We generally provide investment advice to affiliates for use with respect to private investment funds. The types of investors in such funds include the following: pension and profit sharing plans; trusts; funds of hedge funds (whether organized as partnerships, corporations or other entity types), high net worth individuals and family offices.

The funds each have a minimum initial investment amount ranging in amount from \$1,000,000 to \$5,000,000.

These minimums may be reduced or waived by the general partners of the funds that are partnerships or the board of directors of the funds that are companies, subject in certain cases to applicable statutory minimums.

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

Methods of Analysis and Investment Strategies

Investment Strategy

The investment objective of the funds with respect to which we provide investment advice is to acquire, hold, monitor and realize a diversified portfolio of tranches of CLOs issued by U.S. and European CLO vehicles, with a view to maximizing the profits distributed to investors in the context of prevailing economic conditions. A fund's portfolio of CLOs may include, without limitation, primary and secondary control equity tranches, minority CLO equity tranches, rated CLO tranches (with or without repo financing) and CLO warehouse first loss investments.

The offering documents for a fund (where applicable) include a description of the particular investment objective, strategy and risks of the particular fund, which may differ from the general objectives and strategies described in this brochure.

The funds may acquire (i) majority control positions in the subordinated tranches of various CLOs, (ii) investments in subordinated tranches of bespoke short duration CLOs, (iii) larger than majority control positions in subordinated tranches of primary CLOs to be held or sold down subsequently in the general syndication, (iv) investments in seasoned secondary CLO minority and majority equity tranches, (v) investments in minority positions in equity tranches of primary CLOs sold at a discount where such positions may be sold subsequently in the secondary market, and may (vi) employ leverage from time to time.

The funds may also make short-term investments by participating in or providing "warehouse" financing facilities to CLO vehicles for the purposes of enabling them to acquire portfolios of leveraged loans that are intended to be aggregated for ultimate conversion into CLOs ("CLO Warehouses"). The funds may invest in unrated, first loss positions in CLO Warehouses and subsequently convert the warehouse position into CLO equity to be held by the fund or traded in the future.

The funds may provide retention financing to retention holders of risk retention compliant CLOs. The funds may also acquire rated CLO tranches.

The funds may also transact in derivative or other instruments for the purposes of hedging the portfolio, or to manage risks.

Our investment strategy with respect to the funds inherently involves certain significant risks. There can be no assurance that our investment objective will be realized or that any fund will be profitable in the future. See the section titled “Risks Associated with the Funds’ Investment Strategies” below and the applicable fund documents.

Investments

The majority of each fund’s portfolio will be invested in CLOs. CLOs are debt securities backed by diversified pools of mostly senior secured corporate loans. The CLO uses the cash flows from this portfolio of assets to back the issuance of multiple classes of rated and unrated debt securities which are used to fund the purchase of the underlying assets.

A special purpose CLO vehicle is formed to purchase the asset portfolio and issue the various tranches of debt securities. The ratings of those debt securities may range from “investment grade,” for the most senior tranches, down to unrated for the most subordinated tranches. Senior and subordinated tranches of CLOs have different levels of protection (generally provided through interest coverage and asset coverage tests). The rated debt tranches essentially consist of term, non-recourse financing with fixed financing terms.

Payments of interest and principal to the various rated debt tranches issued by the CLO are normally made sequentially, first to the most senior class and then to the junior classes. These payments are made solely from the cash flows received from the underlying assets. The subordinated residual tranche of the CLO capital structure is the first-loss position, generally unrated, and receives all the residual interest and principal collections from the underlying assets after debt service on the prior ranking CLO securities, and fees and expenses on the CLO transaction.

Risks Associated with the Funds’ Investment Strategies

The investment strategy described above that forms the basis of our advice to the general partners with respect to the funds covers a wide range of investment types. Material risks involved in the strategy are described below. The offering documents for each fund that is open to investors include detailed descriptions of the risks of the particular investment strategy used for the fund and should be reviewed carefully prior to any investment in the fund.

Subordinated Securities. The funds’ portfolios may consist primarily of subordinated tranches of CLOs, which are the tranches that are paid last out of the proceeds received by the CLOs from their underlying assets (“Subordinated Tranches”). The funds’ investments in Subordinated Tranches represent leveraged investments in the underlying assets of the CLO. The market value of these investments could be significantly affected by, among other things, changes in the market value of the underlying assets, changes in the payments on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayment on underlying assets and the availability, prices and interest rate of underlying assets. The leveraged nature of a Subordinated Tranche may increase the risk that a change in market conditions or the default of an issuer of underlying assets could result in significant losses. Accordingly, Subordinated Tranches may not be paid in full and may be subject to substantial losses, including a loss of 100 per cent of a fund’s investment in them.

In general, losses experienced by CLOs will be borne first by the junior-most classes of securities. Although holders of subordinated securities such as Subordinated Tranches generally have the benefit of security (or other priority rights) over such collateral as may be posted to secure the securities, control of the timing and manner of the disposal of such collateral upon a default typically will devolve to the manager of the CLO (“CLO Manager”). The CLO Manager may be expected to look to the interests of all classes of securities (including senior tranches) of the CLOs when deciding how to proceed with a distressed obligor and disposing of collateral, which may mean that it will take actions or direct disposals that protect the overall return on the investment but not that of lower-ranking classes such as the Subordinated Tranches. There can be no assurance that the proceeds of any such sale of collateral will be adequate to repay a fund’s investments in full (or at all).

Default of Underlying Assets. A default on an underlying asset held by a CLO will reduce the value of such underlying asset and, consequently, the value of the related investment and the relevant funds’ portfolios. A wide range of factors could adversely affect the ability of the issuer of an underlying asset to make interest or other payments. These factors include adverse changes in the financial condition of such issuer or the industries or regions in which it operates; its exposure to counterparty risks; systemic risk in the financial system and settlement; changes in law and taxation; a downturn in general economic conditions; changes in governmental regulations or other policies; and natural disasters, terrorism, social unrest and civil disturbances. To the extent that actual defaults on the underlying assets of an investment exceed the level of defaults we factored into the purchase price of such investment, the value of the anticipated return from the investment will be reduced. The more deeply subordinated the tranche of securities in which a fund invests, such as investments in Subordinated Tranches, the greater the risk of loss upon a default. Although we take into account estimated levels of default when recommending the price to be paid by a fund for investments, any defaults in excess of expected default rate model inputs will have a negative impact on such value of a fund’s investments, will reduce the cash flows that it receives from its investments and could adversely impact its ability to make distributions.

Risk Retention. The funds may invest in European CLOs which are intended to be risk retention compliant. Should such CLOs fall out of compliance, this could affect the liquidity of the investment in the CLO and their market value which are European risk retention compliant when purchased by the funds. No assurance can be given that CLOs will remain compliant.

The funds may invest in US CLOs which are intended to be US risk retention compliant or provide retention financing (through an investment vehicle) for CLO notes that are intended to be US risk retention compliant. Should such CLOs fall out of compliance, this could affect the liquidity of the investment in the CLOs and their market value which are US risk retention compliant when purchased by the funds or when retention financing was made available (as applicable). No assurance can be given that CLOs will remain US risk retention compliant. The risk retention rule is under review in both Europe and US which could result in future changes.

CLO Warehouses. The funds’ investments may include participations in CLO Warehouses provided for the purposes of enabling the borrowers to acquire assets (“Collateral”) which are ultimately intended to be used to collateralize securities to be issued pursuant to a CLO transaction. The funds’ participation in any CLO Warehouse may take the form of notes (“Warehouse Equity”) which are subordinated to the interests of one or more senior lenders under the CLO Warehouse.

If the relevant CLO transaction does not proceed for any reason (which may include a decision on the part of the CLO Manager not to proceed with the closing of such transaction (“closing”)), the realized value of the Collateral may be insufficient to repay any outstanding amounts owing to a fund in respect of the Warehouse Equity, after payments have been made to the senior lenders under the terms of the CLO Warehouse, with the consequence that a fund may not receive back all or any of its investment in the

CLO Warehouse. This shortfall may be attributable to, amongst other things, a fall in the value of the Collateral between the date of the fund's participation in the CLO Warehouse and the date that the Collateral is realized.

In addition, there are certain circumstances in which the senior lender(s) under a CLO Warehouse may require the sale or liquidation of Collateral prior to closing (for example, in the event that the value of the Collateral falls below a prescribed threshold). In this event, the realized value of the Collateral may be insufficient to repay any outstanding amounts owing to a fund in respect of the Warehouse Equity, after payments have been made to the senior lenders under the terms of the CLO Warehouse, with the consequence that the fund may not receive back all or any of its investment in the CLO Warehouse.

If the closing of a CLO transaction occurs, some or all of the Collateral may be re-priced for the purposes of determining the final repayment amount due under the CLO Warehouse, or the rate at which Warehouse Equity converts into securities issued by the relevant CLO vehicle. The effect of such re-pricing may be that any realized and unrealized losses and/or gains on the Collateral at that point are borne by holders of the Warehouse Equity, with the consequence that a fund may not receive back all or any of its investment in the CLO Warehouse.

Interest Rate Risk. A change in interest rates could have a significant effect on the value of the funds' investments. In an environment of significant interest rate rises and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to adversely affect the funds' cashflow and returns.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and insolvency proceedings) occur on loan portfolios held by CLOs 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. During any particular period, the predominant factors affecting prepayment rates on CLOs may be different.

Index Risk. Many CLO transactions have credit support that is dependent on the difference between the interest rate of the underlying loans and the interest rate on the securities issued from the transaction. Many transactions have a mismatch between these two rates. For example, issued securities may float in relation to three-month LIBOR, while the underlying loans may float in relation to one-month LIBOR. Certain moves in these indices may thus be adverse to the credit support of various securities. These effects are very difficult to hedge, and the funds or any investment vehicle (as applicable) will in general not attempt to do so.

CLO Manager Risk. Most securitizations of pooled loans require an experienced CLO Manager to manage the process of selecting and investing in the underlying loans. The CLO Manager's responsibilities include managing insolvency proceedings, loan workouts and modifications, liquidations, and reporting on the performance of the loan pool to the trustee. Both default frequency and default severity of the underlying loans is highly dependent on the quality and performance of the CLO Manager. CLO Manager quality is thus of prime importance in the default performance of CLOs (and will therefore have an impact on any such investments held by the funds).

The loss by the CLO Manager of key individuals could have a material adverse effect on the ability of the CLO Manager to perform its obligations under the relevant servicing or portfolio management agreement. Although the CLO Manager is generally required, under the terms of the relevant CLO management agreement, to commit an appropriate amount of its business efforts to the management of the underlying assets, the CLO Manager is not required to devote all of its time to such affairs and may continue to advise and manage other investment funds in the future.

Prior investment results and returns achieved for accounts managed by the CLO Manager of any CLO are not likely to be indicative of future investment results. In addition, the nature of, and risks associated with, the assets to be acquired by the CLO may differ materially from those investments and strategies undertaken historically by the CLO Manager, including by reason of the diversity and other parameters required by the relevant CLO management agreement.

Lender Liability Risk. The funds may be subject to lender liability claims (e.g. claims that the funds have breached an implied duty of good faith, commercial reasonableness and fair dealing, or a similar duty owed to a borrower) from their participation and exercise of various voting rights provided to them as investors or co-investors in substantial positions of subordinated tranches of CLOs. In addition, because the funds have such voting rights, in the event of a bankruptcy or insolvency of a CLO, the funds' claims may be subject to equitable subordination. If the funds, or any of the CLOs (and their asset managers) are subject to claims for lender liability, equitable subordination or other such claims, the funds may not be able to achieve the same rate of return on the underlying investments that we projected when making our initial investment recommendation.

Insolvency Risks. Various laws enacted for the protection of creditors may apply to the underlying assets in the funds' investment portfolios. In the event of a bankruptcy or insolvency of an issuer or borrower of underlying assets in which the funds invest, a court or other governmental entity may determine that the claims of the relevant CLO are not valid or not entitled to the treatment we expected when making our initial investment recommendations.

Market value risk relating to the interests in the vehicles. If any interest in an investment vehicle held by a fund is not fully repaid on or prior to the last day of the duration of the fund, those interests may be required to be sold or transferred by the fund in order for it to fund the payment or repayment of any outstanding amounts due and payable by it (including to any investors) on or prior to that date. However, it is expected that there will be no market or a limited market for such interests at that time. Accordingly, there can be no assurance that the interests in the investment vehicles will be able to be sold or transferred by the funds at par. If the interests in the investment vehicles are sold by a fund for a price less than par, this may reduce the amounts available to the fund to pay or repay any outstanding amounts due to its investors on or prior to the last day of its duration.

Insolvency of Obligors under Portfolio Investments. The portfolio investments may be subject to various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors thereunder and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligors' ability to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor or its assets is located and may differ depending on the legal status of the obligor. In particular, it should be noted that a number of continental European and emerging market jurisdictions operate "debtor-friendly" insolvency regimes which could result in delays in payments under portfolio investments where obligations thereunder are subject to such regimes, in the event of their insolvency.

The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for senior secured loans entered into or issued by obligors in such jurisdictions. No reliable historical data for such recovery rates is available.

Performance of Obligors. The ability of an investment vehicle to pay amounts payable to the funds pursuant to the interests held by the funds in investment vehicles and/or the ability of the funds to pay amounts payable to investors may depend upon the general operating performance and debt service capabilities of the relevant obligors in the related portfolio investments. There can be no assurance that the obligors will be able to generate the funds necessary to meet their respective payment obligations under the portfolio investments. If any obligors should become unable to meet their payment obligations

under the portfolio investments, an investment vehicle may become partially or wholly unable to make any payments under the interest in an investment vehicle held by the funds and the funds may become partially or wholly unable to make any payments to investors.

Hedging Transactions. The firm may utilize financial instruments for risk management purposes (including, without limitation: (i) swaps, caps, floors and other derivatives on interest rates, currency exchange rates, and on the credit of one or more issuers; (ii) futures and forward contracts; and (iii) options on any of the foregoing). The success of any hedging strategies employed by the funds will be subject to the firm's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many assets change as markets change or time passes, the success of the funds' hedging strategy will also be subject to the firm's ability continually to recalculate, readjust, and execute hedges in an efficient and timely manner. While the funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the funds than if they had not engaged in any such hedging transactions. For a variety of reasons, the firm may not seek to hedge any or certain portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot in any event be hedged, such as credit risk (relating both to particular investments and counterparties).

Model and Data Risk. Given the complexity of the investments and strategies of the funds, the firm must rely heavily on analytical models used by the firm (both proprietary models developed by the firm, and those supplied by third parties) and information and data supplied by third parties (together "Models and Data"). Models and Data are used to value investments or potential investments (whether for trading purposes, or for the purpose of determining the value of the funds' investments), and also in connection with any hedging of the investments of the funds.

When Models and Data prove to be incorrect, misleading, or incomplete, any decisions made in reliance thereon expose the funds to potential risks. For example by relying on Models and Data, especially valuation models, the firm may be induced to recommend the purchase of certain investments at prices that are too high, to recommend the sale of certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Furthermore, when determining the value of the funds' investments any valuations that are based on valuation models may prove to be incorrect.

Some of the risks of relying on analytical models and third-party data are particular to analyzing tranches from securitizations, such as CLOs. These risks include, but are not limited to, the following: (i) collateral cash flows and/or liability structures may be incorrectly modelled in all or only certain scenarios, or may be modelled based on simplifying assumptions that lead to errors; (ii) information about collateral may be incorrect, incomplete, or misleading; (iii) collateral or bond historical performance (such as historical prepayments, defaults, cash flows, etc.) may be incorrectly reported, or subject to interpretation (e.g., different issuers may report delinquency statistics based on different definitions of what constitutes a delinquent loan); and (iv) collateral or bond information may be outdated, in which case the models may contain incorrect assumptions as to what has occurred since the date information was last updated.

Some of the analytical models used by the firm, such as CLO waterfall models or portfolio default models, are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, the predictive models used by the firm may differ substantially from those models used by other market participants, with the result that valuations based on these predictive models

may be substantially higher or lower for certain investments than actual market prices. Furthermore, since predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All valuation models rely on correct market data inputs. If incorrect market data is entered into even a well-founded valuation model, the resulting valuations will be incorrect. Even if market data is inputted correctly, however, “model prices” will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

Ability to Acquire Assets at Favorable Spreads; Competition and Supply. The funds’ potential to generate income and capital appreciation depends, in part, on the firm’s ability to secure investments for it on advantageous terms. The funds intend to purchase securities from investment banking firms, traders, and portfolio managers, as well as from a variety of other suppliers. In acquiring securities, the funds will compete with a broad spectrum of institutional investors. Increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments, which could further narrow the yield spread over borrowing costs.

Correlation Risk. Many of the risks to which the funds may be exposed, including but not limited to those set out in this Item 8, may be correlated. For example, poor performance of certain CLOs may be accompanied by increased difficulties obtaining and maintaining financing, increased illiquidity, and increased valuation uncertainty, among other risks. To the extent various risks are correlated, losses could be accelerated or exacerbated.

Currencies. The funds may invest a portion of their assets in instruments denominated in currencies other than the US Dollar such as the Euro. The prices of such instruments are determined with reference to currencies other than the US Dollar. The funds, however, will value their securities and other assets in US Dollars. The firm may seek to hedge the foreign currency exposure of the funds’ portfolios by investing in currencies, currency futures contracts, and options on currency futures contracts, forward currency contracts, swaps, swaptions, or any combination thereof, but there can be no assurance that such hedging transactions will be effective. To the extent that any hedging transactions of the funds are partly or entirely unsuccessful, or the firm chooses not to hedge some or all of the funds’ exposure to foreign currencies, the value of the assets of the funds will fluctuate with US Dollar exchange rates as well as the price changes of the investments of the funds in the various local markets and currencies. In addition, the firm’s hedging techniques entail additional risks. Foreign exchange rates are highly volatile and subject to severe event risks, as the political situation with regard to the relevant foreign government may itself be volatile. Moreover, if the cash flow of the assets is contingent (as is the case, for example, for a Sterling-denominated option on Sterling interest rates), it may be difficult to quantify the attendant cross-currency risk, compounding the risk of changes in underlying currencies by the other risks in the portfolios. Correlations between these risks are difficult to quantify and, therefore, difficult to hedge. An inaccurate estimation of the correlation may lead to a faulty hedge and a consequent loss in the portfolios. It should also be noted that, in highly volatile markets, predictions of correlation based on historical data can diverge dramatically from observed market moves. Swaps, “synthetic” or derivative instruments, certain types of options, and other customized financial instruments are subject to the risk of non-performance by the other party to the contract. As a result, a default on the instrument may deprive a fund of unrealized profits, or may force it to cover its commitments for purchase or resale of the underlying currency at the then current market price.

Confidential Information. The firm and its affiliates may, in connection with their operations and responsibilities or the ownership of particular financial instruments by funds and managed accounts to which they provide services, obtain confidential information about the companies and the financial

instruments in which the funds may directly or indirectly invest. Possession of such confidential information may impose restrictions on the funds' ability to purchase, sell or otherwise take action with respect to a particular investment. While the firm will implement compliance procedures and policies designed to ensure that any such non-public information is not used improperly to make investment decisions on behalf of the funds, such procedures and policies may not be effective. In addition, if these procedures and policies are effective, they may limit the freedom of the firm to make potentially profitable investments on behalf of the funds.

Concentration of Investments. The funds are not restricted from concentrating their investments in the securities of a single issuer, guarantor, servicer, loan originator, or underwriter, and may invest all or most of their assets in a single market sector. Accordingly, the negative impact on the funds of adverse movements in the value of the securities of a single issuer, guarantor, or market sector could be considerably greater than if the funds were not permitted to concentrate their investments to such an extent. Moreover, the funds' investments are concentrated in Europe and the US and are therefore sensitive to regional economic developments to a greater extent than would be the case if they were not so concentrated.

Cumulative Impact and Mutual Reinforcement of Individual Risks. The occurrence of more than one of the events or circumstances described in this Item 8 may have a cumulative or compound impact on the funds that could be greater than the sum of the impacts of such events or circumstances if each were to occur in isolation. Certain of the events or circumstances described herein may also exacerbate one another if they occur simultaneously or in a particular sequence, and the occurrence of certain events or circumstances may increase the likelihood of other events, circumstances or risks.

True Sale for Certain Portfolio Investments. In respect of portfolio investments which are purchased from third parties, such purchases may be set aside by an insolvency court if, for example, (i) the transferor of an asset was insolvent at the time of the transfer; (ii) as a result of the transfer the transferor has become insolvent; or (iii) a transferor has not secured valuable consideration for the transfer of the assets. If such portfolio investments are set aside by an insolvency court or similar body the amount available to the funds for distribution will be reduced.

Overall Investment Risk. All investments in loans, securities and other financial instruments, including a fund's investments, involve a degree of risk that the entire investment may be lost. No assurance can be given that a fund's investment program will be successful.

The past investment performance of a fund or other entities or accounts managed or advised by the firm may not be indicative of the future performance of a fund.

Item 9. Disciplinary Information

This Item is not applicable to us.

Item 10. Other Financial Industry Activities and Affiliations

Material Financial Industry Affiliations of the Firm

As described in Item 4, we do not directly advise the funds, but rather provide non-discretionary investment advisory services to separate entities that act as the general partners and discretionary investment advisers of the funds. Although those general partners are under common control with the

firm, such general partners have separate personnel and offices and make investment decisions on behalf of the funds on an independent basis based on the recommendations we provide. The general partners pay a portion of the fees they receive from the funds to us for the investment advisory services we provide to them with respect to the funds.

None of the governing documents of the funds restrict the ability of the members of the firm or any of its affiliates officers, agents or employees from engaging in other business ventures of any nature, whether for their own accounts or for other accounts in which the funds have no interests, and whether or not such ventures are competitive with the business of the funds. The firm and its affiliates will generally determine how much time and attention they will devote to the affairs of the funds.

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

Code of Ethics

We have established a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The purpose of the Code of Ethics is to identify the ethical and legal framework in which we and our personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct. The Code of Ethics is designed to ensure that all applicable personnel are aware of and adhere to our policies and procedures. A complete copy of the Code of Ethics will be provided to clients and prospective clients upon request.

Interested Transactions

The firm and its personnel have varying amounts of investment in the funds, and therefore if two funds were to make the same investment we would have a conflict of interest because we would have an incentive to favor the fund in which we have a greater interest. Although typically we do not advise multiple funds making investments in the same securities at the same time, there are times in which we may recommend that a fund invest in a security in which another fund already holds an investment. In such event, the funds may in due course be selling the securities at the same time. We seek to ensure that in such event our recommendations regarding the funds treat all funds fairly and equally, taking into account the particular circumstances of the funds.

Item 12. Brokerage Practices

The firm selects brokers that we believe will achieve the best execution for the clients. We do not permit clients to direct brokerage.

Although the firm receives research from certain broker-dealers, the firm pays for all such research directly. Therefore the firm is not incentivized to select or recommend a broker-dealer based on research they provide. Broker-dealers are selected based on who we believe can provide the best execution for the funds. The firm does not receive any other services or soft dollar benefits from broker-dealers, and we do not receive client referrals from brokers.

In the unusual event that we should recommend that more than one fund purchase the same securities at the same time, we will aggregate orders in order to get the best possible execution for all accounts. The only time the orders would not necessarily be aggregated is where one fund was investing as part of a pre-existing holding, whereas the other fund is investing as a new investor. In this circumstance, there may be

assets available at a different price for the new investor, either higher or lower. The new fund will make such an investment on a standalone basis, without reference to the returns of the existing fund.

Item 13. Review of Accounts

Our Managing Partners and Chief Financial Officer review the funds' portfolios on a continuous basis.

Each fund provides reports to investors in accordance with the organizational and/or offering documents for that fund.

Item 14. Client Referrals and Other Compensation

We do not pay any third party for client referrals.

The funds have retained a placement agent with respect to the solicitation of new investors from certain countries, which placement agent is paid by the general partners of the funds and not by the funds.

Item 15. Custody

This item is generally not applicable to us, as our clients are pooled investment vehicles and in the event that we are deemed to have custody of any such client's assets, we would satisfy the requirements of the Securities and Exchange Commission's custody rule (if applicable) by the annual delivery of audited financial statements.

In the event that we have a client that is not a pooled vehicle and we are deemed to have custody of the assets of the client account, the client will be provided with an account statement by a third party custodian no less than quarterly. These statements are sent directly to the client by the account custodian. These statements list the account positions, activity in the account over the covered period, and other related information. Any such clients will also be sent confirmations following each brokerage account transaction unless receipt of confirmations has been waived by the client. We will generally not issue separate reports with respect to such clients. Such clients should carefully review statements they receive from the account custodian.

Item 16. Investment Discretion

As described in Item 4, we do not currently have discretionary authority over any client account. Such discretion is exercised by the general partners of the funds.

Item 17. Voting Client Securities

The firm does not have the authority to vote client securities. Such authority rests with the general partners of the funds. We make recommendations to the general partners with respect to such voting. Given the nature of the investments of the funds, voting situations are relatively infrequent. When they arise, our investment committee considers the facts and circumstances of the relevant matter and, on a

case by case basis, recommends a vote for the alternative that we believe to be in the best interests of the relevant fund or funds.

Item 18. Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees from the funds, six months or more in advance, and therefore are not required to include a balance sheet for our most recent fiscal year.