

SEIX CLO MANAGEMENT LLC

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Part 2A of Form ADV

March 27, 2024

This Brochure provides information about the qualifications and business practices of Seix CLO Management LLC ("Seix CLO"). If you have any questions about the contents of this brochure, please contact us at (201) 391-0300. 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. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Seix CLO is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The SEC adopted “Amendments to Form ADV” in July 2010. This Brochure, dated March 27, 2024, was prepared according to the SEC’s new requirements and rules. This Item is used to provide a summary of new or updated material information since the initial creation of our Brochure on March 29, 2023.

Item 8B: Removed LIBOR as a risk.

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Item 4 – Advisory Business

A. General Description of Advisory Firm

Seix CLO Management LLC (“Seix CLO”) was formed in July 2016 to meet the requirement of the “risk retention” rules promulgated by U.S. federal regulators under the Dodd-Frank Wall Street Reform and Consumer Protection Act signed into federal law on July 21, 2010 (“Dodd-Frank Act”). Effective December 24, 2016, the Dodd-Frank Act risk retention rules required a “securitizer” or “sponsor” of a Collateralized Loan Obligation vehicle (a “CLO”) to retain, directly or indirectly through a majority-owned affiliate, at least 5% of the credit risk of the securitized assets. Further, the European Union has regulations regarding risk retention in securitized assets (“EU Risk Retention Rules”). The Dodd-Frank risk retention rules do not apply to open market CLOs as of May 2018. Seix CLO will act as collateral manager for CLOs and intends to structure CLOs in such a manner as to comply with the EU Risk Retention Rules.

Seix CLO is wholly owned by Seix CLO Management LP, a Cayman Islands limited partnership. Seix Investment Advisors, a division of Virtus Fixed Income Advisers, LLC (“Seix Advisors” and together with Seix CLO, “Seix”) wholly owns the general partner of Seix CLO Management LP. On June 1, 2017, RidgeWorth Capital Management was acquired by Virtus Investment Partners, Inc. (“Virtus”) and RidgeWorth changed its name to Virtus Fund Advisers, LLC (“VFA”). Seix was a 100% owned subsidiary of VFA until January 1, 2018, when Seix became wholly owned by Virtus Partners, Inc., whose parent company is Virtus Investment Partners, Inc. Virtus, a publicly traded firm, is singularly committed to the long-term success of individual and institutional investors, offering asset management through its affiliated managers and select subadvisers (see www.virtus.com). Seix Investment Advisors became a division of Virtus Fixed Income Advisers, LLC (“VFIA”) effective July 1, 2022. VFIA is a wholly owned subsidiary of Virtus Partners, Inc.

Seix CLO acts as collateral manager for CLOs and will not have any other client types. Seix CLO will accept any investment restrictions requested by or required by a CLO. Seix CLO provides discretionary investment management services to CLOs.

B. Description of Advisory Services

Seix provides discretionary “investment supervisory services” to two CLOs, which are privately placed offshore funds investing in loan and debt instruments and their Delaware co-issuers.

Each CLO will have its own investment requirements, guidelines and restrictions.

C. Assets Under Management

Seix CLO had a total of \$704,606,938 of discretionary assets under management as of December 31, 2023.

Item 5 – Fees and Compensation

A. Advisory Fees and Compensation

Descriptions of the fees earned by Seix CLO for managing CLOs can be found in the offering memorandum for each of the CLOs. Generally, CLO managers receive a senior collateral management fee, a subordinated collateral management fee and an incentive collateral management fee if the CLO achieves a target return.

B. Payment of Fees

Generally, a CLO manager will receive its fees four times per year on the payment dates for such CLO.

C. Additional Fees and Expenses

Seix CLO does not have physical custody of any assets belonging to a CLO. The CLOs have custody arrangements with third party custodians and are responsible for paying their custodians' fees and expenses. The CLOs bear any trading costs and expenses. Please see Item 12 of this brochure for a discussion of Seix CLO's brokerage practices.

D. Prepayment of Fees

Seix CLO is paid in arrears.

E. Additional Compensation and Conflicts of Interest

Fees for special investment advisory services will be charged only when requested by a CLO and agreed to by Seix CLO.

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

Seix CLO may receive an incentive collateral management fee if a CLO meets a stated target return. Any incentive collateral management fee will be reflected in the offering memorandum for a CLO. CLOs should qualify for exclusion under Rule 205-3 under Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Incentive fees may present a conflict of interest because there may be an incentive for the investment management team to favor a CLO with an incentive collateral management fee over a CLO without an incentive collateral management fee because of the potential for higher fees. In addition, incentive fees may encourage a manager to take more risks when managing a client’s portfolio. Seix CLO will have procedures in place to ensure that trades are allocated fairly among CLOs, including monitoring of allocations by the Chief Compliance Officer of Seix CLO or her delegate. Seix CLO will, in most cases, aggregate transactions on behalf of the CLOs. Seix CLO will allocate aggregated transactions to all participating eligible CLOs in a fair and equitable manner consistent with its trade allocation procedures, fiduciary obligations and each participating CLO’s investment guidelines. In addition, the compensation of the investment professionals that manage the CLOs is tied to the performance of all of the accounts they manage.

Item 7 – Types of Clients

Seix CLO provides collateral management services to two CLOs. CLOs are exempt from registration as investment companies pursuant to section 3(c)(7) of the Investment Company Act of 1940, as amended (the “1940 Act”). Seix CLO will not have any clients other than CLOs.

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

A. Methods of Analysis and Investment Strategies

Investing in securities involves risk of loss that CLOs should be prepared to bear.

Please see the applicable offering memorandum for specific information regarding each CLO’s investment strategies and risks.

Seix CLO’s methods of analysis include the following:

Leveraged Loan Yield Philosophy and Process

Our investment objective is to maximize the upside which is inherent when investing in the leveraged loan market, but also to be focused on reducing risk by minimizing the downside, especially through avoiding defaults.

Seix CLO believes that consistently superior leveraged loan performance can best be achieved by focusing on the healthier segment of the leveraged loan market. Therefore, we devote our resources to a targeted universe of leveraged loans. The anomalies that we seek to capture by pursuing this investment approach are to:

- Maximize portfolio return per unit of risk
- Minimize the risk of default
- Provide the necessary liquidity to make active sector shifts
- Allow for the effective application of fixed income research techniques to the leveraged loan market

Seix seeks to consider environmental, social and/or governance (“ESG”) factors that Seix believes could influence risks and rewards as an element of Seix’s investment research and decision making processes. However, ESG factors are not determinative by themselves to an investment decision. Seix’s Leveraged Finance research analysts use an internally developed ESG checklist based in part on the Sustainable Accounting Standards Board (“SASB”) standards. The research analysts score a company’s ESG exposure on a scale of 1 – 5. The ESG score is part of the investment thesis for individual companies along with other investment risks including, but not limited to, proprietary credit ratings. In addition, data from outside sources is used as a supplement to the internal ESG scores.

Sources of Information

Sources of information used by Seix CLO include filings with the U.S. Securities and Exchange Commission, prospectuses, meetings with management, annual reports, rating services, research materials prepared by others, inspections of corporate activities, company press releases, and financial newspapers and magazines. In addition to publicly available sources of information, Seix CLO also uses internal research developed by its investment professionals

B. Material, Significant or Unusual Risks Relating to Investment Strategies

The material risks relating to the significant methods of analysis and investment strategies described above are set forth below:

Credit Risk: Debt assets are subject to the risk that an issuer will fail to make timely payments of interest or principal, or go bankrupt, or that the value of the assets will decline because of a market perception that the issuer may not make payments on time. The lower the rating of a debt asset, the higher its credit risk.

Interest Rate Risk: Debt assets will generally lose value if interest rates increase.

Foreign and Companies Securities Risk: Foreign securities and dollar denominated securities of foreign issuers involve special risks such as currency fluctuations, economic or financial instability, lack of timely or reliable financial information, unfavorable political or legal developments and delays in enforcement of rights. These risks are increased for investments in emerging markets.

Below Investment Grade Securities Risk: Below investment grade securities (sometimes referred to as “junk bonds”) involve greater risk of default or downgrade and are more volatile than investment grade securities. Below investment grade securities may also be less liquid than higher quality securities.

Floating Rate Loan Risk: The risks associated with floating rate loans are similar to the risks of below investment grade securities. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, a floating rate loan may not be fully collateralized and can decline significantly in value. Floating rate loans generally are subject to contractual restrictions on resale. The liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can also be more difficult and delayed. Difficulty in selling a floating rate loan can result in a loss. In addition, floating rate loans generally are subject to extended settlement periods in excess of seven days, which may impair the Client’s ability to sell or realize the full value of its loans in the event of a need to liquidate such loans. The sale and purchase of a leveraged loan are subject to the requirements of the underlying credit agreement governing such leveraged loan. These requirements may limit the eligible pool of potential leveraged loan holders by placing conditions or restrictions on sales and purchases of leveraged loans.

Leveraged loans are not traded on an exchange and purchasers and sellers of leveraged loans rely on market makers, usually the administrative agent for a particular leveraged loan, to trade leveraged loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of leveraged loans. Difficulty in selling a floating rate loan may result in a loss.

Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require Seix to replace a particular leveraged loan with a lower-yielding asset. The Client may assume the credit risk of the administrative agent in addition to that of the borrower, and investments in leveraged loan assignments may involve the risks of being a lender.

Extraordinary Events and Market Volatility Risk: Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, other public health issues, recessions, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the global financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Issuers can suffer decreased sales, profits, and production. Clients will be negatively impacted if, as a result of these events, the value of their portfolio holdings decreases as a

result of such events, if liquidity, pricing and market function is impeded or volatility increases, if the adviser is unable to invest a strategy's assets as intended, if these events adversely impact the operations and effectiveness of the adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the management of accounts.

Increased Regulations - Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

Seix CLO is not registered as a broker-dealer and does not have any pending applications for registration.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

Seix CLO is not registered as a futures commission merchant, commodity pool operator or commodity trading adviser and does not have any pending applications for registration.

C. Material Relationships or Arrangements with Industry Participants

Seix CLO has entered into a Staff and Services Agreement and a Master Sub-Advisory Agreement with Seix Advisors, an SEC registered investment adviser. Seix Advisors wholly owns the general partner of Seix CLO Management LP, which is the sole owner and member of Seix CLO. Pursuant to the Staff and Services Agreement, Seix Advisors or its affiliates provide certain services to Seix CLO including back-and-middle office, legal/compliance/risk analysis, credit analysis, valuation, marketing, reporting and administrative and provides employees to perform such services. Pursuant to the Master Sub-Advisory Agreement, Seix Advisors provides certain services to Seix CLO including making recommendations to Seix CLO in its capacity as collateral manager for any applicable CLO regarding portfolio compensation, placing investment orders on behalf of any applicable CLO, performing due diligence on prospective portfolio investments and assisting Seix CLO in performing any of its obligations or duties as collateral manager for the CLO.

(1) Broker-Dealers

None

(2) Investment Companies

None

(3) Investment Advisers

As described in C. above, Seix CLO has entered into a Staff and Services Agreement and a Master Sub-Advisory Agreement with Seix. VFIA is an SEC registered investment adviser. VFIA wholly owns the general partner of Seix CLO Management LP, the sole member of Seix CLO. Certain Seix officers are also officers of Seix CLO Management LLC.

Seix has material business relationships with VFA, Virtus ETF Advisers LLC and Virtus Investment Advisers, Inc. Seix has contracted with VFA to sub-advise and provide portfolio management, research and analysis, to specified Client assets of VFA, including certain Virtus Mutual Funds. Seix contracted with Virtus ETF Advisers LLC to provide portfolio management, research and analysis for the Virtus Seix Senior Loan ETF. Seix provides portfolio management, research and analysis for the Virtus GF Select High Yield Fund. Virtus, Seix and VP Distributors, LLC (“VPD”) have entered into solicitation or referral arrangements. VPD is an affiliated limited-purpose broker-dealers and has no trading activity and retains no trading operations. VPD sponsors those Seix CLO personnel whose job responsibilities require their registrations as broker-dealer representatives. Certain Virtus corporate officers are also officers of VFIA and one or more affiliates of VFIA may perform certain activities on behalf of Seix. As described more fully in Seix’s Form ADV Part 2A, additional financial industry affiliations may apply, which are not discussed in this Item 10 of Seix CLO’s ADV Part 2.

(4) Banking or Thrift Institution

None

(5) Private Partnerships

Seix CLO serves as the collateral manager of Mountain View CLO 2016-1 Ltd., Mountain View CLO 2017-1 Ltd. and possibly CLOs to be created in the future, depending on whether the CLOs need to comply with the EU Risk Retention Rules. Each CLO will rely on exemptions from registration under Regulation D of the Securities Act of 1933, as amended, and Section 3(c)(7) of the 1940 Act. They may offer and sell units only to Accredited Investors as defined in the Securities Act of 1933 and Qualified Purchasers as defined in 1940 Act Section 2(a)(51) or to “knowledgeable employees” as defined in 1940 Act Rule 3c-5 (collectively, “Investors”). Each CLO will be managed only in accordance with its own characteristics and investors therein may not impose restrictions on any investments or types of investments that would alter Seix CLO’s investment strategy for the CLO. In addition, investors may not direct Seix CLO to purchase or sell portfolio securities through any specific broker or dealer. Investors should consider whether a CLO

meets their investment objectives and risk tolerance prior to investing. Information about each CLO can be found in its offering documents, including any confidential private placement memorandum.

D. Material Conflicts of Interest Relating to Other Investment Advisers

None

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

A. Code of Ethics

We endeavor to ensure that the investment management and overall business of the firm complies with both our firm and Virtus (parent) policies and applicable U.S. federal and state securities laws and regulations. We have adopted the Virtus Code of Conduct and the Code of Ethics (the “Codes”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The Codes have been reasonably designed to prevent and detect possible conflicts of interest with client trades. Compliance with the Codes is a condition of employment. All of our supervised persons must acknowledge terms of the Codes, annually, or as amended. Any employee found to have engaged in improper or unlawful activity faces appropriate disciplinary action. Each employee is responsible for ensuring that they and those they manage, conduct business professionally and comply with our firm’s policies and procedures. Employees must immediately report (to their supervisor, a compliance officer or corporate legal counsel) their knowledge any wrongdoing or improper conduct. Failure to do so may result in disciplinary action being taken against that individual. Our reporting procedures are supported by a telephone number and similar on-line reporting technology available 24-hours/day to any employee to confidentially report, or request assistance concerning possible violations of the Codes and other firm policies. This technology and reporting platform is administered by an independent, third-party.

Our officers and employees are encouraged to invest in shares of investment products that we and/or our affiliates advise. Subject to limitations described herein and set forth by our Codes, our officers and/or associated personnel may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account and they may engage in the following:

- Recommend that clients buy or sell securities or investment products in which we or a related person have some financial interest; and/or
- Buy or sell securities or investment products that our firm and/or our officers and associated personnel or a related person recommends to our clients.
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Our Codes are designed to prevent and detect conflicts of interest in regard to the above.

None of our officers and Access or Advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction, if they know at the time of such transaction that such a security or option is being bought, sold, or considered for purchase or sale for a client account, unless one or more of the following conditions exist:

- They have no influence or control over the transaction from which they will acquire a beneficial interest;
- The transaction is non-volitional on their part or the client's;
- The transaction is a purchase under an automatic dividend reinvestment plan or pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities; or
- They have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations.

Code of Conduct

The following highlights some of the provisions of the Virtus Code of Conduct:

- Compliance with Applicable Laws, Rules and Regulations
- Insider Trading
- Conflicts of Interest
- Corporate Opportunities
- Fair Dealing
- Protection and Proper Use of Company Assets
- Confidentiality
- Recordkeeping
- Interaction with Government Officials and Lobbying
- Contract Review and Execution
- Company Disclosures and Public Communications
- Information Protection Policies
- Human Resource Policies
- Use of Social Media
- Intellectual Property
- Designation of Compliance Officers
- Seeking Guidance About Requirement of the Code
- Reporting Violations
- Waivers, Discipline and Penalties

Code of Ethics

Employees are categorized as either Supervised, Access or Advisory Persons under our Code of Ethics.

All Supervised Persons are required to comply with the following:

- Instruct their brokers to directly provide our Compliance Department with duplicate copies of brokerage statements and trade confirmations or the electronic equivalent.
- Provide Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Conduct their personal transactions consistent with the Code of Ethics and in a manner that avoids any actual or potential conflict of interest.

In addition to the above, those employees classified as Access Persons are further required to comply with the following:

- Pre-clear all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- Hold all covered securities no less than 30-days.

Employees classified as Advisory Persons are further prohibited from directly or indirectly acquiring or disposing of a security on the date of, and within seven calendar days before and after the portfolio(s) associated with that person's portfolio management activities.

Any covered employee not in observance of the above may be subject to a variety of disciplinary actions.

We do not purchase or sell securities for our own account.

Other Related Policies and Procedures

We have adopted the Insider Trading Policy and Procedures designed to mitigate the risks of our firm and its employees misusing and misappropriating any material non-public information that they may become aware of, either on behalf of our clients or for their own benefit. Personnel are not to divulge or act upon any material, non-public information, as defined under relevant securities laws and in our Insider Trading Policy and Procedures. The policy applies to each of our Supervised, Access and Advisory Persons and extends to activities both within and outside their duties to our firm, including for an employee's personal account.

In addition to the above, our policies set limitations on and require reporting of gifts, entertainment, business meals, sponsorships, business building and charitable donations, whether given or received. Generally, our employees are prohibited from accepting or providing gifts or other gratuities from clients or individuals seeking to conduct business with us in excess of \$100.

Our personnel may, under certain conditions, be granted permission to serve as directors, trustees, or officers of outside organizations. Prior to doing so, approval must be provided by Compliance. A complete copy of our Code of Conduct and/or our Code of Ethics is available by sending a written request to Virtus Fund Advisers, LLC, Attn: Corporate Compliance, One Financial Plaza, Hartford, CT 06103 or by emailing a request to us at: InvestmentAdviser@Virtus.com.

Item 12 – Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Investment or Brokerage Discretion

Seix CLO will have discretionary authority to determine, without obtaining client consent, the assets and the amounts thereof to be bought or sold.

Selection Criteria for Brokers and Dealers

Seix CLO's objective in selecting brokers and dealers and in effecting portfolio transactions is to obtain the best combination of price and execution with respect to transactions in the CLOs' portfolios. Loans are generally purchased and sold directly between loan counterparties in dealer markets and debt securities are also generally purchased and sold in dealer markets where there are no agency commissions. Therefore, a number of other judgmental factors must be considered, along with the best net price.

Seix's Brokerage Committee meets periodically to review and assess all current broker-dealer relationships. In selecting among broker-dealers to execute a given transaction under Seix CLO's discretionary authority, Seix considers, among other things, the following:

1. the broker's expertise and ability to execute the transaction at the most favorable net price of the security for the client;
2. the ability of the broker to handle large blocks/thin markets and other special trading situations;
3. the price of the security for the client;
4. the financial strength and stability of the brokerage firm;
5. the investment research services provided by the broker; and
6. the operational abilities of the broker.

Seix evaluates the performance of the brokerage firms using the criteria specified above and other input as deemed appropriate. Performance is also reviewed relative to trading volume to help determine if best execution is being obtained. Brokers that have not been approved are blocked from Seix Advisor's trade allocation system in order to prevent trading with unauthorized brokers.

Trade Aggregation Policy

Seix, on behalf of itself and Seix CLO, will always seek best overall execution for its Clients unless required to use a specific broker designated by a client. Seix will, in most cases, aggregate transactions on behalf of various accounts in order to facilitate best execution and possibly negotiate more favorable pricing. To the extent that transactions are aggregated, Seix will allocate such transactions to all participating Client accounts in a fair and equitable manner consistent with its written trade allocation procedures, fiduciary obligations and each participating Client's investment guidelines and investment management agreement.

Due to market conditions or a change in portfolio management decisions, a specific aggregated order may not be completely filled at one price or in total. At such times, the order will be average-priced so that all accounts receive a fair price and the transaction will be distributed among all eligible accounts in a fair and equitable manner so that no eligible account will be systematically disadvantaged in such situations. In addition, dedicated investment disciplines and portfolios may receive all or a larger percentage of a partially filled transaction if the security is generally the primary investment vehicle for the portfolio or account. For example, a bank loan fund account may receive a greater allocation of a partially executed bank loan transaction than a bond fund account. This is because the bank loan fund account invests a greater percentage of its assets in bank loans, while the bond fund account can only place a limited percentage of its assets in bank loans. Therefore, the market value of assets going to bank loans in a bond fund account may be significantly smaller than that of a bank loan fund account. The same principles apply in favor of a portfolio invested predominantly in bonds when allocating a bond trade between a bond fund account and a bank loan fund account.

Bank Loans - *Primary Market*

Seix, on behalf of itself and Seix CLO, engages in trades to acquire bank loans in the primary (new issue) market. Seix seeks to allocate primary market purchases of bank loans among eligible clients fairly and equitably over time. Seix seeks to allocate bank loans purchased in the primary market *pro rata* in accordance with eligible Clients' account market values, subject to individual Client guidelines and restrictions (e.g., ratings or maturity limitations) and available cash. Notwithstanding the foregoing, in order to facilitate timely investment of new Client accounts and to accommodate investment of inflows for existing clients in accordance with their investment objectives, Seix can prioritize accounts that are ramping (i.e., investing a large amount of cash in a new account within certain time frames) and/or have received a large cash inflow (i.e., five percent (5%) or more of account value based on current market value) in the allocation of a bank loan purchased in the primary market.

Bank Loans - *Secondary Market*

Bank loans can also be purchased in the secondary market. Seix's goal is to allocate secondary-market bank loans on a *pro rata* basis among eligible clients subject to specific Client account needs based upon investment guidelines and restrictions such as ratings, maturity, allowable asset types and available cash. This can result in allocations that are not *pro rata* in some cases.

Trade Error Policy

Seix CLO will reimburse a client for any direct loss resulting from the correction of a guideline breach or trade error where such is the result of an action taken by Seix CLO. The account will keep any gains associated with corrective action. For the most part, there is no netting of multiple transactions – i.e., gains on some trades cannot be netted with losses in order to reimburse a client for a loss. It is not Seix CLO's policy to reimburse clients for passive breaches of investment guidelines, which are those that occur, not because of actions taken or not taken by Seix CLO, due to changes to the issuer of a security, such as delisting from an exchange or a downgrade by a rating agency, or those due to changes in market conditions, where values of securities held by a client increase or decrease.

Client-Directed Brokerage Transactions

Seix CLO has discretion to select executing broker-dealers and to negotiate brokerage rates for investment transactions for clients' accounts. The CLOs are not allowed to restrict Seix CLO from using a particular broker.

"Soft Dollar" or Research/Execution Policy

Brokerage activity is not used to pay for the costs of any third party services received including, but not limited to, investment strategies, research, news, and quotation equipment. Any and all such services are paid with "hard dollars." Seix does receive unsolicited research from certain of the broker-dealers it trades with during the normal course of business.

Item 13 – Review of Accounts

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Account Reviews

Seix reviews each CLO's portfolio compliance tests at the time of any purchase or sale of portfolio assets, and at the time of any monthly and payment date reports. The review includes compliance with purchase and sale criteria, asset eligibility criteria, asset concentration limits and asset coverage tests. The tests are described in detail in the applicable CLO indenture.

Account Reports

The applicable indenture trustee prepares reports for the CLO and makes the reports available to investors in the CLO.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Not applicable

B. Compensation to Non-Supervised Persons for Client Referrals

Not applicable.

Item 15 – Custody

Seix CLO does not have physical custody of either cash or assets held in a CLO's portfolio. The CLO's cash and assets must be held in an account with a qualified custodian.

Item 16 – Investment Discretion

Seix CLO accepts discretionary authority from a CLO at the outset of a collateral management relationship to manage assets in the CLO's account. In all cases, however, such discretion is exercised observing investment limitations and restrictions that are outlined in each CLO's offering memorandum and collateral management agreement.

Item 17 – Voting Client Securities

In the unlikely event that a CLO receives a proxy solicitation for an asset held in its portfolio, Seix CLO will accept proxy voting responsibility on behalf of a CLO for which it acts as collateral manager. Once Seix CLO accepts proxy voting responsibility, the directors of the CLO will be allowed to request to vote its proxies on a particular solicitation and Seix CLO will comply with the request. Information regarding Seix CLO's proxy voting policy including copies of the policy and information about how Seix CLO voted on behalf of a relevant CLO be obtained by contacting the Chief Compliance Officer at (201) 391-0300 or via U.S. mail by writing Seix CLO Management LLC at One Maynard Drive, Suite 3200, Park Ridge, NJ 07656 or by sending an email to ddillon@seixadvisors.com.

Item 18 – Financial Information

Not Applicable.