



**PARTNERS GROUP US MANAGEMENT CLO LLC**

**FORM ADV PART 2A**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Partners Group US Management CLO LLC (the “Adviser”). If you have any questions about the content of this Brochure, please contact us at (212) 908-2781. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Partners Group US Management CLO LLC is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training of any Adviser personnel. The oral and written communications of an adviser provide you with information based on which you may determine to hire or retain an investment adviser.

Additional information about Partners Group US Management CLO LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

The Adviser's most recent update to Part 2A was made on March 29, 2024. The Adviser is now updating Part 2A to reflect the following material changes since the Adviser's last annual update:

Additional disclosure has been added to Item 8 regarding potential risks.

## Item 3 -Table of Contents

|  |    |
|--|----|
| Item 2 – Material Changes .....  | 2  |
| Item 3 -Table of Contents .....  | 3  |
| Item 4 – Advisory Business .....   | 4  |
| Item 5 – Fees and Compensation .....   | 5  |
| Item 6 – Performance-Based Fees and Side-by-Side Management.....                                     | 7  |
| Item 7 – Types of Clients.....   | 8  |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 9  |
| Item 9 – Disciplinary Information.....   | 43 |
| Item 10 – Other Financial Industry Activities and Affiliations .....                                 | 43 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 44 |
| Item 12 – Brokerage Practices .....  | 46 |
| Item 13 – Review of Accounts .....   | 46 |
| Item 14 – Client Referrals and Other Compensation .....  | 47 |
| Item 15 – Custody .....  | 47 |
| Item 16 – Investment Discretion.....   | 47 |
| Item 17 – Voting Client Securities.....  | 47 |
| Item 18 – Financial Information .....  | 48 |

## Item 4 – Advisory Business

Partners Group US Management CLO LLC (the “Adviser”), a Delaware limited liability company founded in 2017, provides discretionary investment advisory services as collateral manager to structured debt vehicles known as Collateralized Loan Obligations (hereinafter referred to as “Clients,” “CLOs,” “the Issuer”, and each a “Relevant CLO”). As collateral manager, the Adviser will transact primarily in senior secured debt securities, subordinated debt securities, high-yield debt securities and certain other securities (hereinafter referred to as “Collateral Obligations”) in accordance with the investment guidelines provided by the Collateral Management Agreement (as defined below), indenture, and/or offering circular (the “governing documents”) for each Relevant CLO. No individual Client can impose restrictions on investing in certain securities or certain types of securities other than such restrictions found in the Relevant CLO’s governing documents.

The Adviser is wholly owned by Partners Group (USA) Inc. (“PG USA”), a Delaware corporation and registered investment adviser with the SEC. PG USA is wholly owned by Partners Group Holding AG, a Swiss corporation. Partners Group Holding AG is a public company in Switzerland and is listed on the SIX Swiss Exchange (ticker: PGHN).

The Adviser does not participate in any Wrap Fee Programs.

The Adviser manages Relevant CLO portfolios of Collateral Obligations on a discretionary basis; the Adviser will not manage any assets on a non-discretionary basis. As of December 29, 2023, the Adviser has regulatory assets under management of approximately \$5,351,036,315.

Partners Group has global capabilities available to the Adviser’s clients in as seamless a manner as practical within a varying global regulatory framework. The Adviser uses the services of one or more affiliates (or appropriate personnel thereof) for investment advice, investment management, portfolio execution and trading, operational support, and client servicing in their local or regional markets or their areas of special expertise, except to the extent explicitly restricted by the Client in/or pursuant to its governing documents, or inconsistent with applicable law. Arrangements among affiliates take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency, administrative or other servicing agreements. In these circumstances, the Adviser remains fully responsible for its Clients from a legal and contractual perspective. No additional fees are charged for the affiliates’ services except as set forth in the Relevant CLO’s governing documents.

## Item 5 – Fees and Compensation

### Management Fees

The Adviser receives management fees as compensation for its collateral management services to Relevant CLOs. Information on such management fees are set forth in the Relevant CLO governing documents. Management fees will be payable in arrears, generally on a quarterly basis, and will be paid out of the priorities of payment set out in the relevant governing documents of the Relevant CLO. Clients will be billed for fees incurred.

The Adviser generally receives management fees in the form of an asset-based "Senior Collateral Management Fee" of 0.15% per annum, "Subordinated Collateral Management Fee" of 0.25-0.35% per annum and an "Incentive Collateral Management Fee" (collectively "management fees") in respect to its services to Relevant CLOs. Typically, the relevant priority of payment is to pay the Senior Collateral Management Fee first, the Subordinated Collateral Management Fee next and after the stated threshold has been reached, the Incentive Collateral Management Fee, if any, will be paid. Senior Collateral Management Fee or Subordinated Collateral Management Fee can be waived or deferred by the Adviser pursuant to the relevant CLO governing documents.

### Costs and Expenses

Except as otherwise agreed to by a Relevant CLO and the Adviser, the Relevant CLO will be charged the costs and expenses of the Adviser and of each Relevant CLO incurred in connection with the negotiation, preparation and execution of the relevant collateral management agreement (a "Collateral Management Agreement") that establishes the Adviser as collateral manager to each Relevant CLO and any amendment thereto, and all matters incidental thereto. Each Relevant CLO that engages the Adviser as collateral manager will reimburse the Adviser, or its affiliates for expenses (or their allocable portion thereof) for the fees, costs and expenses reasonably incurred by the Adviser or its affiliates in connection with services provided under the Collateral Management Agreement (regardless of whether the person providing or performing the service or output is the Adviser, an affiliate of the Adviser or a third party; provided that, if the Adviser or an affiliate of the Adviser provides such service or output, then, unless approved by an independent review party, the applicable fees, costs and expenses shall not be greater than those that would be payable to a third party under arm's length terms for the provision or performance of similar services or outputs) including, without limitation;

- (a) the cost of legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained or employed by a Relevant CLO or the Adviser or an affiliate of the Adviser (in each case, on behalf of a Relevant CLO),
- (b) the cost of asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the assets of each Relevant CLO,
- (c) all taxes, regulatory and governmental charges (not based on the income of the Adviser) and insurance premiums or expenses incurred in connection with each Relevant CLO,
- (d) any and all costs and expenses incurred in connection with the acquisition or disposition of investments on behalf of a Relevant CLO (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements,
- (e) expenses related to preparing reports to holders of the notes issued by a Relevant CLO (hereinafter referred to as "Noteholders"),
- (f) reasonable travel expenses (including, without limitation, airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Adviser of its duties pursuant to the governing documents for a Relevant CLO,
- (g) expenses and costs in connection with any investor conferences or other marketing activities of the Collateral Manager or its affiliates,
- (h) the cost of any brokerage services provided to the Adviser or its affiliates in connection with the sale or purchase of any Collateral Obligation or other assets received in respect thereof,
- (i) the cost of bookkeeping, accounting or recordkeeping services obtained or maintained with respect to a Relevant CLO (including those services rendered at the behest of the Adviser),
- (j) the cost of software programs licensed from a third party and used by the Adviser or its affiliates in connection with servicing the assets of a Relevant CLO,
- (k) fees and expenses incurred in obtaining the market value of the assets of a Relevant CLO (including, without limitation, fees payable to any nationally recognized pricing service),
- (l) the cost of audits incurred in connection with any consolidation review,

(m) any out-of-pocket costs or expenses incurred by the Adviser or its affiliates in connection with complying with the U.S. risk retention rules, if any, (including, without limitation, any expenses incurred by any affiliate of the Adviser) and/or the European risk retention and due diligence requirements incurred in connection with a Relevant CLO,

(n) the expenses of winding up and liquidating a Relevant CLO, and

(o) any other expenses as otherwise agreed upon by the parties to a Relevant CLO.

Except as otherwise set forth above, all routine overhead expenses, including rent, utilities, secretarial expenses and compensation, and benefits of the Adviser's and its affiliates' employees, shall be borne directly by the Adviser or its affiliates and is not recharged to the Adviser's Clients.

A rules-based approach is applied by the Adviser and its affiliates (hereinafter referred to as "Partners Group") in apportioning expenses between Clients on a pro rata basis, however certain Clients, per the Relevant CLO's agreement with the Adviser that cannot be charged their pro rata portion of expenses that would otherwise be borne by such Clients, such portions instead being borne by Partners Group. Certain expenses might be relevant to only one Client or type of Client and will be borne only by such Client(s). When expenses are applicable to multiple Clients, the Adviser will make allocation determinations in its reasonable judgment and in a manner that it believes in good faith to be fair and equitable (e.g., pro rata, or other appropriate methodology), notwithstanding its interest in the outcome, and will make corrective allocations where it determines a corrective allocation to be necessary or advisable.

The information contained herein is a summary only and is qualified in its entirety by the information contained in the governing documents of a Relevant CLO, which provide a detailed and complete description of the fees and costs associated with an investment in a Relevant CLO. Please contact Partners Group US Management CLO LLC at (212) 908-2781 to request a copy of a particular CLO's offering circular.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

The Adviser receives performance-based fees in the form of the Incentive Collateral Management Fee (discussed in Item 5 above) as compensation for its collateral management services to Relevant CLOs. Information on such performance fees are set forth in the Relevant CLO governing documents. All such performance fees will be earned in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Performance-based fees create an incentive for the Adviser to recommend investments that are riskier or more speculative than those which would be recommended under a different arrangement. Such arrangements also create an incentive to favor higher-fee paying Clients over other Clients of the Adviser in the allocation of investment opportunities. These arrangements can also cause the Adviser to favor accounts that are ramping or must achieve a minimum size to commence paying fees, or accounts with more available capital. The Adviser has implemented procedures designed to ensure that all Clients are treated fairly, and to prevent this potential conflict from influencing the allocation of investment opportunities among its Clients.

Additionally, the Partners Group sources investment opportunities on a global basis through referrals of its affiliates. The allocation process occurs across the Partners Group, and even if a potential investment opportunity is sought after or appropriate for the Adviser or a Client, there is no guarantee that an allocation will be made to the Adviser or such Client. Please see Item 8 under "Allocation Process" for further information and all such allocations are subject to the "Allocation Directive" process, which is described immediately below.

#### Allocation Directive

The Adviser has implemented an Allocation Directive to provide a rules-based approach to allocating and divesting investments in a fair and equitable manner over the respective Priority Programs investment period in line with the Adviser's fiduciary obligations. To mitigate potential conflicts of interest, allocations of investment opportunities among Partners Group Priority Programs are determined in accordance with the rules-based Allocation Directive (as amended, restated or supplemented from time to time) in effect by the Adviser and its affiliates. The Clients of the Adviser are considered "Partners Group Priority Programs" under the Allocation Directive. Allocations within a particular group of Clients are generally recommended by the Adviser's portfolio management team with ultimate approval by the investment committee, in good faith and subject to restrictions in the applicable governing documents, regulatory or tax restrictions or considerations and available capital and concentration restrictions or considerations, among other relevant factors.

Decisions as to the allocation of investment opportunities among Partners Group Priority Programs present numerous conflicts of interest. Each of the foregoing conflicts of interest will be resolved by the Adviser in its sole discretion in accordance with the Allocation Directive, except when expressly set forth in a Client's governing documents.

#### Item 7 – Types of Clients

The Adviser provides investment management services solely as collateral manager to CLOs.



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

Investing directly or indirectly in CLOs managed by the Adviser involves risk of loss up to and including the loss of an entire investment; investors therefore must be prepared to bear such loss.

In performing its investment advisory activities, the Adviser significantly relies upon staffing, operations, sourcing, analysis, risk management and other functions performed by its affiliates, in particular PG USA. PG USA's employees that perform the Adviser's functions as collateral manager to Relevant CLOs generally participate in the due diligence and analysis process with respect to investment opportunities in North and South America. Through its relationship with its affiliates, the Adviser gains access to, and benefits from, a much broader range of investment opportunities, analytical resources and investment personnel than would otherwise be available while retaining full investment discretion on behalf of its Clients.

Partners Group sources investment opportunities on a global basis through referrals of its affiliates. All investment opportunities are referred to Partners Group for due diligence and analysis, as described below, before being recommended or allocated to any of the Adviser's Clients. Once identified, investment opportunities are generally logged into a proprietary database that tracks Partners Group's analysis of the opportunity. Investment analysis by Partners Group generally involves (i) a market assessment based on periodic analysis of relevant economic fundamentals, (ii) the development of a relative value outlook for different markets and/or for various investment subcategories within such markets and (iii) a critical review of individual investment opportunities available to Partners Group. Partners Group typically analyzes each individual investment opportunity through the step-by-step process outlined below under "Investment Analysis Process". The manner in which each step is completed, including whether any steps can be completed concurrently, depends on the particular circumstances of each potential investment opportunity and remains at the discretion of Partners Group.

### Investment Considerations

#### ESG due diligence

Where permitted in accordance with the relevant CLO governing documents, environmental, social, governance and sustainability factors and risks are permitted to be considered in the Adviser's due diligence and investment decision-making process and during ownership as appropriate, as described in Partners Group's ESG and Sustainability Directive (as amended, restated or supplemented from time to time).

## Investment Analysis Process

Investment analysis is primarily based upon proprietary research and due diligence performed by Partners Group. Partners Group can also review research reports generated by third parties and other forms of due diligence.

### *Submission to Global Liquid Loans Investment Committee*

Potential Collateral Obligation investments are subject to in-depth due diligence by Partners Group liquid loans investment professionals who review various aspects of the relevant investment opportunity, such as an individual borrower's business, competitive position, financial position and outlook as well as other factors. Such initial analyses are presented by investment professionals to Partners Group's global liquid loans investment committee (the "Partners Group Investment Committee" or "Committee") for review. Certain members of the Adviser Management Team sit on the Partners Group Investment Committee along with other members of Partners Group's global debt investment team. The Partners Group Investment Committee either approves the opportunity by adding it to the Transaction Advice ("TA") described below, rejects it outright, or determines that additional due diligence needs to be performed and the potential Collateral Obligation resubmitted. Additionally, liquid loan investment professionals actively monitor each approved or potential Collateral Obligation and submit to the Committee periodic and event-driven updates for all such Collateral Obligations such that the Committee can remove or add investment opportunities to the TA using up-to-date information.

### *Transaction Advice*

The Partners Group Investment Committee maintains a standing TA that outlines the investment parameters for each investment opportunity approved by the Committee, such as duration, price, margin and size limits, etc. The Adviser Management Team then seeks to execute transactions in approved investment opportunities, in accordance with relevant TA limitations. The Adviser generally will not execute any investment for its Clients if the Partners Group Investment Committee has not previously issued a TA in respect of such investment. All final investment and divestment decisions with respect to the Adviser's Clients will always rest with the Adviser's investment committee.

## Allocation Process

For transactions in potential Collateral Obligations approved by the Partners Group Investment Committee, the Adviser Management Team allocates prospective Collateral Obligations among the Adviser's clients, alongside management teams of the Adviser's affiliates seeking to allocate the same or similar opportunities to their clients, by indicating client-specific demand for such transactions within Partners Group's portfolio management

systems. Allocations among clients of the Adviser and its affiliates are based on such demand. However, when the relevant counterparty cuts back Partners Group's allocation below Partners Group's aggregate demand, final allocations to each relevant Client are subject to a pre-set, mechanical and objective allocation process designed to allocate the final amount in a fair manner. If the liquid loans team determines a new allocation among Partners Group clients is needed outside of these rules, the Adviser Management Team must approve the new allocation to its Clients. Accordingly, due to differences in (1) the nature of each investment opportunity, (2) the amount available for investment in a given transaction and (3) the aggregate demand among Partners Group clients for investments, allocations in respect of a given transaction might or might not include allocations for Clients of the Adviser. All allocations are subject to availability and Partners Group's Global Allocation Directive, to which the Adviser is subject. Please see Item 6 for additional information on the "Allocation Directive."

## **Material Risks**

All investments involve financial risks. Some of the material risks with CLO investments, including purchasing notes issued by a Relevant CLO ("Notes"), are included below; the interplay of such risks should be considered, as where more than one risk factor is present, the risk of loss to an investor is likely to be significantly increased. Prospective investors should ensure that they understand the risk factors associated with such an investment, which generally include, but are not limited to, the material risks outlined below, and have the financial ability and willingness to accept such risks. The information contained herein regarding such risks is a summary only and is qualified entirely by information found in the relevant offering circular; investors should refer to the applicable offering circular for a comprehensive description of risks. There can be no guarantee or representation that the Adviser or any of its Clients will achieve their respective objectives.

*Identification of investment opportunities and expenses.* The success of the Adviser depends on the availability and identification of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Adviser. There can be no assurance that the Adviser or its affiliates will be able to identify sufficient attractive investment opportunities to meet a Client's investment objectives.

The funds available to a Relevant CLO to pay its expenses on any payment date are limited as provided in the priorities of payments described in each Relevant CLO offering circular. In the event that such funds are not sufficient to pay the expenses incurred by a Relevant CLO, its ability to operate effectively will be impaired, and, if such funds are sufficiently low, it will not be able to defend or prosecute legal proceedings brought against it or which it might

otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

*Business and regulatory risks of CLOs.* Legal, tax and regulatory changes could occur over the course of the life of Notes that adversely affect the Relevant CLOs. The regulatory environment for vehicles of the nature of CLOs is evolving, and changes in regulation that adversely affect the Relevant CLOs, the value of investments held by them and their ability to obtain the leverage they might otherwise obtain or to pursue their investment and trading strategies are possible. In addition, the securities and derivatives markets are subject to comprehensive statutory, regulatory and margin requirements. Certain regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of transactions of a type similar to the Relevant CLOs and derivative transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on the Relevant CLOs could be substantial and adverse.

*Economic, political and legal risks.* The Adviser's investments are in a number of countries, exposing investors to a range of potential economic, political and legal risks. These include, but are not limited to, declines in economic growth, inflation, deflation, currency revaluation, nationalization, expropriation, confiscatory taxation, governmental restrictions, adverse regulation, social or political instability, negative diplomatic developments, military conflicts, terrorist attacks, and adverse consequences to the Relevant CLOs related to epidemics and pandemics. In February 2022, Russia launched a military operation in Ukraine. The uncertain nature, magnitude and duration of Russia's invasion of Ukraine and actions taken by Western countries and other states and multinational organizations in response thereto, including, amongst other things, the potential effects of sanctions, export-control measures, travel bans and asset seizures, as well as any Russian retaliatory actions, including, amongst other things, restrictions on oil and gas exports and cyber-attacks, on the world economy and markets, have had and could continue to contribute to increased market volatility and uncertainty. Such geopolitical risks could have a material adverse impact on macroeconomic factors which affect the Adviser's business, as well as the operations of the Partners Group. In addition, as relevant CLOs could have exposure to investments adjoining geographic regions to Russia/Ukraine, these disruptions could adversely affect the ability of obligors to make timely payments on the Collateral Obligations, which could affect the value or performance of a borrower's debt and could also adversely affect the value or liquidity of financial instruments such as the Notes. Given the ongoing nature of the conflict between Russia and the Ukraine and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Relevant CLO and the performance of its investments or operations, and its ability to achieve its investment objective. The situation continues to evolve and, as of the date of this

Brochure, the outcome of the conflict, the continuing sanctions or any new sanctions and the impact these will have on the Relevant CLO remain uncertain.

Further, a military conflict between Israel and Hamas broke out in October 2023, the broader consequences of which are difficult to predict at this time, but which include regional instability and geopolitical shifts, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, disruptions to the global energy supply and other adverse effects on macroeconomic conditions.

Furthermore, geopolitical relations have the potential to further worsen between the U.S. government (as well as other governments) and China over Taiwanese sovereignty which could have significant macroeconomic effects on the global economy (including, but not limited to, currency fluctuations and/or other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise)). To the extent that this situation escalates, there could be additional significant impacts on the industries and sectors in which the CLOs seek to make investments, the jurisdiction of investments and other adverse impacts on investments or CLOs more generally.

Geopolitical and trade disputes have the potential to develop between other countries, which will have similar or more pronounced risks and consequences for CLOs and/or their investments.

Any ongoing sanctions or conflict could lead to additional disruptions in financial markets and negatively affect credit markets generally. These disruptions could adversely affect the ability of borrowers to make timely payments on the Relevant CLOs, which could affect the value or performance of the Relevant CLOs and could also adversely affect the value or liquidity of financial instruments such as the Notes.

Significant risks exist for the Relevant CLO and investors in its Notes as a result of uncertain general economic conditions. These risks include, among others, (i) the possibility that, the price at which Collateral Obligations can be sold by the Adviser will have deteriorated from their effective purchase price, (ii) the illiquidity of Notes, as there can be no secondary trading in Notes and (iii) the possibility of a decline in the market value of Notes. These risks will affect the returns on Notes to investors and the ability of investors to realize their investment in Notes prior to their stated maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans is volatile at times, and the level of new issuances is often uncertain and varies based on a number of factors, including general economic conditions. As well as reducing opportunities for the Adviser to purchase Collateral Obligations in the primary market, this increases reinvestment or refinancing risk in respect

of maturing Collateral Obligations. These additional risks affect the returns on Notes to investors and could cause a deterioration in loan performance generally and lead to increased defaults and delinquencies in the loan market. Limitations on the amount of available credit in the market have an adverse impact on general economic conditions that affect the performance of the Collateral Obligations. The slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions adversely affect the rating, performance and the realization value of the Collateral Obligations. It is possible that the Collateral Obligations will experience higher default rates than anticipated and that performance will suffer. The market value and performance of the Collateral Obligations and Notes can be adversely impacted by current and future economic conditions, including perceptions of potential, current or future conditions, market trading imbalances or technical dislocation. To the extent that economic and business conditions fail to improve or deteriorate further, the levels of defaults and delinquencies are likely to increase and market values are likely to decrease or not fully recover, which would adversely affect the amount of proceeds that could be obtained upon the sale of the Collateral Obligations and could adversely impact the ability of the issuer to make payments on Notes.

The bankruptcy or insolvency of a major financial institution could have an adverse effect on the Issuer, particularly if such financial institution is the administrative agent of a leveraged loan or is a selling institution with respect to a participation. In addition, the bankruptcy, insolvency or financial distress of one or more financial institutions, or one or more sovereigns, is likely to increase the risk of additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Adviser, Relevant CLOs and Notes.

*Financial Institution Risk; Distress Events.* An investment in a CLO is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a “Financial Institution”) of some or all of the Client’s (or any borrower’s) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by a variety of factors, including rising interest rates, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, a CLO, or one of its underlying investments might not be able to access certain banking services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, and the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are

subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss.

While in recent years governmental intervention has at times resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets. Any Distress Event has a potentially adverse effect on the ability of the Adviser to manage CLO operations.

*Withdrawal of the United Kingdom from the European Union and uncertainty in the market.* The UK officially withdrew from the EU on January 31, 2020. Under the terms of withdrawal agreement entered into between the UK and the EU, the UK and the EU commenced a transitional negotiation period which expired on December 31, 2020. On December 24, 2020, the UK government and the European Commission announced that an agreement in principle had been reached at negotiators' level on the text of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including a UK-EU trade and co-operation agreement (the "UK/EU Future Relationship Agreement"). The UK/EU Future Relationship Agreement has been ratified by the UK Parliament, the European Parliament and the Council of the European Union and entered into force on May 1, 2021. Accordingly, the UK/EU Future Relationship Agreement now governs the relationship between the UK and EU having come into effect from January 1, 2021. Although the UK/EU Future Relationship Agreement covers many issues such as economic partnership / free trade/ law enforcement / judicial cooperation and governance, the UK/EU Future Relationship Agreement is silent on items such as financial services equivalence and data protection adequacy.

Many EU laws have been transposed into English law and these transposed laws will continue to apply (subject to necessary amendments made to such laws which have come into effect from January 1, 2021) until such time that they are repealed, replaced or amended. Over the years, English law has been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure).

Accordingly, there remain a number of uncertainties in connection with the future of the UK and its relationship with the EU. Given the size and importance of the UK's economy, the UK's departure from the EU and connected developments in its legal, political and economic relationship with Europe and other countries globally could continue to be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other cross-border co-operation

arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. Other related risks include impetus for the break-up of the UK and related political and economic stresses, legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations and the effects of future divergence between the legal, regulatory and tax regimes in the EU and the UK.

In particular, together with the impact of the changes that have already occurred as a result of the termination of the UK's access to the EU single market, further developments in the UK's relationship with the EU (including for example in respect to the border between Northern Ireland and the Republic of Ireland) or otherwise connected with the UK's withdrawal as a member state of the EU could adversely impact companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK and/or the EU, including with respect to opportunity, pricing, regulation, value or exit (as well as exacerbating the effects of supply bottlenecks and labor shortages that have recently been experienced on a global level).

As such, there remains uncertainty as to the scope, nature and terms of the relationship between the UK and the EU and the application of the UK/EU Future Relationship Agreement. The UK's decision to leave the EU has caused significant uncertainties and instability in the financial markets, and such uncertainties are likely to continue irrespective of the UK/EU Future Relationship Agreement, which will affect the risk profile of the Relevant CLOs. These uncertainties could have a material adverse effect on the Adviser and Relevant CLO's business, financial condition, results of operations and prospects. Any impact on borrowers could impair their ability to make payments due under the Relevant CLO's and Notes.

*Eurozone risk.* Several nations, particularly within the EU, have recently suffered or are currently suffering from significant economic distress. There can be no assurance as to the resolution of the economic problems in those countries, nor as to whether such problems will spread to other countries or otherwise negatively affect economies or markets. A debt default by a sovereign nation or other potential consequences of these economic problems would likely trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Adviser, Relevant CLOs and Notes. In addition, certain borrowers of Collateral Obligations are organized in, or otherwise domiciled in, or have a substantial percentage of their revenues or assets in, certain of such countries currently suffering from economic distress, or other countries that begin to suffer economic distress, and the uncertainty and market instability in any such country is likely to increase the likelihood of default by such borrowers. In the event of its insolvency, any such borrower, by virtue of being organized in such a jurisdiction or having a substantial percentage of its revenues or assets in such a jurisdiction, may be more likely to be subject to bankruptcy or insolvency proceedings in such jurisdiction at the same time as such jurisdiction is itself



potentially unstable. In addition, it is possible that countries that have adopted the euro could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The effects on a country of abandonment of the euro or a country's forced expulsion from the EU are impossible to predict but are likely to be negative. The exit of any country out of the EU or the abandonment by any country of the euro would likely have a destabilizing effect on all Eurozone countries and their economies and a negative effect on the global economy as a whole and could adversely affect the Notes.

*United States' financial stability and political outlook.* Due to US federal budget deficit concerns, S&P downgraded the federal government's credit rating from AAA to AA+ for the first time in history on August 5, 2011, which was affirmed by S&P in June 2018. Further, Moody's and Fitch had warned that they may downgrade the federal government's credit rating. Further downgrades or warnings by S&P or other rating agencies, and the US government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which would likely negatively impact both the perception of credit risk associated with the Adviser's debt portfolio and its ability to access the debt markets on favorable terms. In addition, a decreased US government credit rating could create broader financial turmoil and uncertainty, which would likely weigh heavily on the Adviser's investments.

Control of the United States Congress is currently divided between the Democratic Party and the Republican Party, with the Democratic party controlling the Senate and Republican Party controlling the House. A divided United States Congress materially limits the ability of either party to adopt significant legislation. Nonetheless, if Congress does agree to adopt legislation relating to the regulatory framework of United States financial markets (either as a result of bipartisan agreement between the Democrats and Republicans or as a result of either party winning control of both the Senate and the House in the Presidential elections in 2024 or beyond) such changes could result in greater regulation of nonbank lenders and could negatively impact the Adviser's debt portfolio. Similarly, even without an act of Congress, the United States federal financial regulators and/or state authorities could adopt regulations or implement supervisory measures in response to perceived risks associated with lending and other financial activities occurring outside the regulatory perimeter of banks and bank holdings companies, the impact of which likewise might negatively impact the Adviser's debt portfolio. The United States has in the past and could potentially withdraw from, renegotiate or enter into various trade agreements and take other actions that would change current trade policies of the United States. It is not possible to predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the United States. Such actions could have a significant adverse effect on the value of the Adviser's portfolio and the returns of the Client.

*United States tariff, import/export regulations and other economic sanction laws.* There has been ongoing discussion and commentary regarding potential significant changes to US trade policies, treaties and tariffs. These changes could create significant uncertainty about the future relationship between the United States and other countries with respect to such trade policies, treaties and tariffs. Any tariffs imposed on products imported into the US and other changes in US trade policy could result in, and could continue to trigger, retaliatory actions by affected countries. These developments, or the perception that any of them could occur, could have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict the Adviser's portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact the Adviser. Additionally, economic sanction laws in the United States and other jurisdictions could prohibit the Adviser or its affiliates from transacting with certain countries, individuals and companies. In the United States, the US Department of the Treasury's (the "Treasury") Office of Foreign Assets Control administers and enforces laws, executive orders and regulations establishing US economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain non-US countries, territories, entities and individuals. These types of sanctions could significantly restrict or completely prohibit investment activities in certain jurisdictions.

*General economic and market conditions risk.* The success of the Adviser's activities will be affected by general economic and market conditions as influenced by economic, social, political, and/or environmental events over which the Adviser has no control. Events and conditions such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations) are some factors that affect the level and volatility of financial instruments' prices and the liquidity of the Relevant CLOs.

A downturn in the credit markets and other financial markets can occur at any time, which could result in a dramatic deterioration in the financial condition of many companies and obligors, and any such downturn and deterioration could be severe. While conditions in the credit and financial markets typically subsequently improve, it is difficult to predict whether such improvements will continue or if conditions will deteriorate, and which markets, products, businesses and Relevant CLOs experience this deterioration (or to what degree any such deterioration is dependent on monetary policies by central banks, including the Federal Reserve System). The Relevant CLO's ability to make payments on the debt will depend in part on general economic conditions and the financial health of corporate borrowers. Negative trends or volatility in economic conditions generally or in particular credit and other financial

markets are likely to increase the number of non-performing Collateral Obligations and decrease the value and collectability of the Collateral Obligations. The business, financial condition or results of operations of the obligors on the Collateral Obligations will be adversely affected by a worsening of economic and business conditions. There is no assurance that conditions in the credit and other financial markets will not deteriorate and there is a material possibility that economic activity will be volatile over the moderate to long term. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Collateral Obligations are likely to decrease. A decrease in market value of the Collateral Obligations would also adversely affect the sale proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem secured debt, as well as the ability to make any distributions in respect of subordinated Notes.

In addition, the effects of climate change and the increasing frequency of severe weather events pose risks to certain of the investments which are located in or have connections to a geographical location impacted by such severe weather events. These events, if severe enough, impact general market conditions by increasing market volatility, affecting the prices of financial instruments and affecting the liquidity of the investments. An outbreak of communicable diseases whether on a regional or global scale, will impact investments and influence overall market conditions due to travel and/or movement restrictions and prolonged closures of workplaces and will likely increase market volatility, affect the price of financial instruments and affect the liquidity of the investments.

Volatility or illiquidity could impair the Relevant CLO's profitability or result in losses. The Relevant CLO may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets, the larger the positions, the greater for potential loss. The economies of countries may differ favorably or unfavorably from each other in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, economies are heavily dependent upon international trade and accordingly, have been and will likely continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency valued and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries are based, predominantly, on only a few industries and are vulnerable to changes in trade conditions and have higher levels of debt or inflation.

*Public Health Risks and Deterioration in Market Conditions.* Any future public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, respiratory syncytial virus or RSV, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the economy, financial

markets, and Relevant CLOs and the borrowers in which they invest and could meaningfully affect the Relevant CLOs' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Relevant CLOs' and their respective borrowers' financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. Please see the "Economic, political and legal risks" and the "General economic and market conditions risk" in this Item for additional discussion.

*Legal, tax and regulatory risks.* Legal, tax and regulatory changes could occur during the term of an investment which can materially adversely affect such investment. For example, the regulatory and tax environment for private funds (such as the Relevant CLO's) generally is evolving, and changes in the direct or indirect regulation or taxation of private funds can materially adversely affect the ability of the Adviser to pursue its investment strategies or achieve its investment objectives. In addition, greater regulatory scrutiny generally increases the Adviser's exposure to potential liabilities and increased regulatory oversight can also impose administrative burdens on the Adviser, including, without limitation, responding to examinations or investigations and implementing new policies and procedures.

*Environmental, social, and governance investing risk.* A Client that employs an environmental, social, and governance ("ESG") investing strategy, which typically selects or excludes investments based on ESG criteria, carries the risk that such Client's performance will differ from Clients that do not select or exclude investments based on ESG criteria. For example, the application of ESG considerations to a particular investment could affect a Client's exposure to certain sectors or types of investments, which could negatively impact the Client's performance. In addition, increased regulation with respect to ESG investing could be material for the Adviser and its Clients and as a result, adversely impact investment strategies that incorporate ESG criteria. In determining the efficacy of a investment's ESG practices, the Adviser will follow its own assessments of ESG factors, as applicable to a particular asset class and set out in the applicable ESG policies and procedures for such asset class, and will, when appropriate, reference standards as set forth by recognized global ESG standards setters such as Sustainability Accounting Standards Board. There is no guarantee that the factors utilized by the Adviser, or any judgment exercised by the Adviser will reflect the opinions of any particular investor, and the factors utilized by the Adviser will not be the same as the

factors that any particular investor considers relevant in evaluating a investments ESG practices. In evaluating an investment, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess an investments business practices with respect to ESG practices.

*ESG compliance is subjective.* There is currently no clear definition (legal, regulatory or otherwise) of, nor clear market consensus as to what constitutes, an investment that would be an ESG investment or as to what precise attributes are required for a particular investment to be defined as ESG compliant or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. No assurance is or can be given to investors that Collateral Obligations will meet any or all investor expectations regarding ESG or other equivalently labelled performance objectives. Further, there can be no guarantee that any Collateral Obligation will not have any adverse environmental, social and/or other impacts.

Likewise, there is currently no clearly defined description (legal, regulatory or otherwise), nor clear market consensus as to what constitutes best practice in assessing the environmental and social corporate governance impact and profile of an industry or an issuer of debt or financial instrument, nor can any assurance be given that such a description or consensus will develop over time. No assurance can or will be given that the Adviser will assess, categorize or review the Collateral Obligations in line with the standards and methodologies currently adopted by a particular institution, investor, manager or third-party verification agency.

*Limited pool of investments and ESG Scoring.* Market conditions (such as a recession) or other external factors may result in a change in behavior by obligors in an industry or across a number of jurisdictions and/or a change in best practices which could require a more conservative determination of which Collateral Obligations are or are not ESG-related Collateral Obligations. Further, the determination of which Collateral Obligations are or are not ESG-related Collateral Obligations when selecting investments could also affect the exposure (positively or negatively) to certain institutions, sectors and/or countries.

*Foreign Corrupt Practices Act (the "FCPA").* FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict the Adviser's investments. The US government has indicated that it is particularly focused on FCPA enforcement, which increases the risk that the Adviser becomes the subject of such actual or threatened enforcement. A violation of the FCPA or other applicable regulations could have a material adverse effect on the Adviser's investments.

*Regulatory Developments.* On August 23, 2023, the SEC finalized certain rules related to private fund advisers, and in doing so, added an exception from such rules for "securitized

asset funds”, which generally include CLOs. On November 27, 2023, the SEC issued new Rule 192 pursuant to Section 27B of the Securities Act (the “Securitization Conflicts of Interest Rule”) for the purpose of implementing a prohibition against a securitization participant's directly or indirectly entering into a transaction that would involve or result in a material conflict of interest with any investor, subject to exceptions for risk-mitigating hedging activities, liquidity commitments and bona-fide market making activities. The Securitization Conflicts of Interest Rule will become effective on February 5, 2024, and securitization participants will be required to comply with the Securitization Conflicts of Interest Rule with respect to any asset-backed security, the first closing of the sale of which occurs 18 months after its publication in the Federal Register. Under the Securitization Conflicts of Interest Rule, a “securitization participant” is an underwriter, placement agent, initial purchaser, sponsor (which would include a CLO collateral manager such as the Collateral Manager) or certain affiliates or subsidiaries of any such party. Additionally, the Securitization Conflicts of Interest Rule includes an “anti-evasion” provision that prohibits a securitization participant from engaging in any transaction or a series of related transaction that, although in technical compliance with the rule, is part of a plan or scheme to evade the prohibitions of the rule. Market participants are still reviewing the Securitization Conflicts of Interest Rule in its final form and there is no market consensus as to the scope of the final rule as well as to how such rule will be implemented and applied. As such, there remains a number of uncertainties regarding the Securitization Conflicts of Interest Rule and its potential impact on securitization participants such as the Collateral Manager.

In addition, on February 15, 2023, the SEC proposed to amend and redesignate the current “custody rule” applicable to registered investment advisers with a new “safeguarding rule” intended to enhance investor protections relating to advisory client assets (the “Proposed Safeguarding Rule”). If adopted in its current form, the Proposed Safeguarding Rule would, among other things, (i) significantly expand the scope of the current custody rule to include as types of covered client assets, with limited exceptions, all assets held in client advisory accounts, not just “funds and securities,” (ii) expand the definition of “custody” to apply to arrangements under which an adviser exercises discretionary trading authority and (iii) require investment advisers to enter into written agreements with “qualified custodians” and obtain reasonable assurances regarding certain enumerated provisions that address safeguarding of client assets (including a requirement that the qualified custodian indemnify the client for losses resulting from the custodian’s own negligence). In certain circumstances, the Proposed Safeguarding Rule would require surprise examinations or annual financial statement audits to be conducted by independent accounting firms. In addition, the Proposed Safeguarding Rule would add new recordkeeping and reporting requirements for investment advisers. The costs of complying with the audit and recordkeeping obligations of the Proposed Safeguarding Rule could be substantial. To the extent the Issuer is responsible for expenses

associated with the requirements of the Proposed Safeguarding Rule, it could affect the Issuer's ability to make payments on the Secured Notes and reduce amounts available for distribution to the holders of the Subordinated Notes.

On July 26, 2023, the SEC proposed new rules under the Exchange Act and the Investment Advisers Act that would require broker-dealers and registered investment advisers (and their associated persons) to address certain conflicts of interest relating to their use of predictive data analytics and other covered technologies in "investor interactions" (the "Proposed PDA Rules") and together with the Proposed Safeguarding Rule, the "Proposed SEC Rules"). If adopted in their current form, the Proposed PDA Rules would require broker-dealers and registered investment advisers to (i) evaluate any use or "reasonably foreseeable potential use" of "covered technology" by the firm or any associated person in any investor interaction to identify whether such use would create a conflict of interest, (ii) determine whether such conflict of interest places or results in placing the interests of the broker-dealer or registered investment adviser ahead of the interests of investors, and (iii) eliminate or neutralize the effect of any such conflict of interest. Under the Proposed PDA Rules, "covered technology" is defined very broadly and is not limited to artificial intelligence and other sophisticated technologies, but includes simple technologies such as computational functions or models that optimize for, predict, guide, forecast or direct investment-related behaviors or outcomes of an investor. Under the Proposed PDA Rules, broker-dealers are only required to evaluate how such covered technologies impact their interactions with investors that are natural persons (and not institutional investors), but for registered investment advisers the rules would apply to their interactions with institutional investors and would extend to the marketing and management of pooled investment vehicles, including CLO transactions. In addition, "investor interactions" are also defined very broadly to include providing information to an investor or exercising discretion with respect to an investor's account, so it is possible that any communication with an investor that involves a covered technology would fall under the Proposed PDA Rules. If the Proposed PDA Rules become effective in their current form, CLO managers, including the Collateral Manager, will be required to determine whether a "covered technology" has been used in their interactions with investors in an offering of CLO securities and whether such use would constitute a prohibited conflict of interest under the Proposed PDA Rules. If the Collateral Manager is unable to eliminate or neutralize the effect of any conflict of interest resulting from the use of "covered technologies" in information provided to prospective investors in the CLO transaction, it could result in a reduction in the quality and quantity of information available to prospective investors and holders of Notes about the CLO transaction and the portfolio of Collateral Obligations. The scope and timing of any final rules and amendments with respect to these Proposed Rules is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated costs (which, to the extent

permitted under the applicable Client's governing documents, and consistent with applicable law, will be a Client (i.e., a CLO expense) and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase such costs and expenses charged to a Client and its underlying investors. In addition, these amendments could increase the risk of exposure of the Adviser and its affiliates to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Partners Group's reputation, and to negatively impact Clients in conducting their business (thereby materially reducing returns to investors).

*Risks relating to the absence of regulatory oversight.* The CLOs have not been, and are not expected to be, registered under the Securities Act, or any state or other US or non-US securities laws. The CLOs will not be registered under the Investment Company Act. Accordingly, the provisions of the Investment Company Act applicable to investors in a registered investment company (which are intended to provide certain regulatory safeguards to such investors) are not applicable to investors in those CLOs. Compliance with the requirements for exemption from the Investment Company Act could cause the CLO to engage in (or forego engaging in) particular transactions that may otherwise be deemed adverse to the CLO. Further if the CLO were deemed to be an investment company and therefore required to register under the Investment Company Act due to lack of possible exemption, this could prevent the CLO from operating in its intended manner and could have a material adverse effect on the CLO.

*Risk Retention Compliance.* Although not currently applicable to Adviser, certain jurisdictions have imposed requirements on sponsors of a securitization transaction, such as a CLO, to retain a specified economic interest in the credit risk of the securitized assets ("Risk Retention Rules" and such interests the "Retention Interests"). Should it be necessary for Adviser to comply with such requirements at any time, Adviser or an affiliate of Adviser will acquire and hold Retention Interests, and/or Retention Interests may be financed through a third-party lender to Adviser or an affiliate.

*Placement Agents.* One (1) or more third parties may act as placement agents for the CLOs and, in that capacity, act for the Adviser and in such capacity would not act as investment advisers to Clients in connection with the offering of the CLOs. Investors must independently evaluate the offering and make their own investment decisions. The Adviser will typically pay each placement agent a placement fee and other compensation based upon the amount committed to by investors that each such placement agent introduces to the Adviser.



*Cybersecurity risk.* Cybersecurity incidents and cyber-attacks are occurring globally at a more frequent and severe levels and will likely continue to increase in frequency in the future. Information and technology systems are potentially vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they will potentially be able to steal, publish, delete, or modify private and sensitive information. Although the Adviser and the Relevant CLOs have implemented various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Adviser and Relevant CLOs and their respective third-party hosting facilities generally will be unable to anticipate these techniques or to implement adequate preventative measures. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial, governmental or other espionage are difficult to identify even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The Adviser and the Relevant CLOs potentially will have to make significant investments to fix or replace such systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and their beneficial owners) and the intellectual property and trade secrets of the Adviser and Relevant CLOs. Such a failure could harm the reputation of the Adviser and Relevant CLOs, subject them to legal claims and adverse publicity and otherwise affect their business and financial performance.

*Business continuity risks.* Pandemics, political instability, military conflicts, terrorist attacks or other sudden crises have the potential to overburden the infrastructure of global financial, political and technological systems, which could pose risks to the Adviser's ability to perform functions necessary for its provision of investment services to its Clients. For example, the COVID-19 crisis required a large portion of the world's labor force to work remotely, close down office locations, and restrict travel.

*Technological innovations.* Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and

commercial innovation, new businesses and approaches may be created that will compete with the Adviser and/or its investments or alter the market practices the Adviser's strategy has been designed to function within and depend on for investment return. Any of these new approaches could damage the Adviser's investments, significantly disrupt the market in which it operates and subject it to increased competition, which could materially and adversely affect its business, financial condition and results of Investments.

For example, recent technological advances in artificial intelligence and machine learning technologies (collectively, "AI Technologies"), including, for example, the OpenAI ChatGPT applications and derivations thereof (including Partners Group's proprietary technology, Primera GenAI), create opportunities for the Adviser, Clients and their respective affiliates, as well as risks. While the Adviser and its affiliates may use certain AI Technologies, with use cases including but not limited to investment activities, operating and other business activities, they are evaluating further ways to leverage such technologies. Actual usage of such AI Technologies will vary across its business, and while the Adviser and its affiliates expects from time to time to adopt and adjust usage policies and procedures governing the use of AI Technologies by its personnel, there is a risk of misuse of such AI Technologies.

Further, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data as well as algorithms in use could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact the Adviser, its Clients or its affiliates to the extent they rely on the work product of such AI Technologies, and they may also be more susceptible to cybersecurity threats given the volume and reliance on data and algorithms inherent in AI Technologies. In addition, the Adviser, its Clients or its affiliates could be exposed to risks to the extent third-party service providers or any counterparties use AI Technologies in their business activities. None of the Adviser or its affiliates are expected to be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilizing AI Technologies are provided. For more information on risks relating to information security and data use see also "Cybersecurity risk" above.

Moreover, while the Adviser and its affiliates have implemented certain compliance protocols and ringfencing controls that are designed to prevent confidential information regarding the Adviser, its Clients and their respective affiliates (including material non-public information) from being incorporated into the training dataset of AI Technologies, there can be no assurance that such protocols and controls will be successful or that the Adviser or any of its affiliates will be able to identify or prevent any circumvention or violation of such measures,

and it is possible that third parties may cause such information to be uploaded to the dataset in contravention of non-disclosure agreements, or that individual personnel of the Adviser, its affiliates or other related parties may do so in contravention of such protocols. In the event of an unauthorized upload of information to an AI Technology dataset, such confidential information may become part of a dataset that is accessible by AI Technologies applications and users, and it may not be possible for the Adviser or its affiliates to subsequently overwrite or remove such information from the applicable dataset.

AI Technologies and their current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

*Outsourced services.* The Adviser is permitted to outsource certain services, functions or processes in connection with the delivery of certain services that it provides to, or carries out on behalf of, the Relevant CLOs. In particular, the Adviser may, in each case subject to applicable law, outsource services to its affiliates or insource certain services such as the services of legal counsel and compliance, including services that would otherwise be outsourced to a third party in the ordinary course of business. Insourcing or outsourcing has the potential to give rise to conflicts of interest, in particular where the services are outsourced to affiliated service providers, when such services could potentially be provided by other third-party service providers on terms more commercially advantageous to the Relevant CLOs. Engaging affiliated service providers in such circumstances can increase the costs of the services, adversely affect the performance of the services for the Relevant CLOs.

*Prior results not indicative of future performance.* The current performance or past performance of the Adviser's or its affiliates' other CLOs are not predictive of a Relevant CLO's future performance. The Adviser may cause a Relevant CLO to acquire different investments than prior CLOs or other investment products managed by the Adviser or its affiliates due to any existing or future restrictions on investing in credit markets, current market conditions, differing terms and objectives, etc. As a result, the Relevant CLO would likely generate different returns than prior or other CLOs managed by the Adviser or its affiliates.

*Interest rate risk.* Instruments are subject to interest rate risk. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes can affect the value of a debt instrument indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments can also be negatively

impacted by falling interest rates, depending on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors. On the other hand, rising interest rates could lead to decreased liquidity, making it more difficult to sell certain debt instruments. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Interest rate risk is generally greater for investments with longer duration.

In response to recent higher than normal inflationary pressures, several central banks across the globe, including the European Central Bank, the Bank of England the Federal Reserve System of the United States, have recently raised their base rates of interest, have indicated that further increases to their base rates of interest are likely in the near future and are in the process of commencing a program of quantitative tightening which is expected to cause government bond yields, which are often used in the calculation of market interest rates for lending products, to increase.

*Inflation.* Inflation and rapid fluctuations in inflation rates are having negative effects on economies and financial markets, particularly in emerging economies. For example, if a borrower is unable to increase its revenue in times of higher inflation, its profitability will likely be adversely affected. Borrowers potentially will have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a borrower may earn more revenue but may incur higher expenses. As inflation declines, a borrower may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more widespread inflation will not be a serious problem in the future and thus have an adverse impact on CLO returns.

*Borrower Misrepresentation and Fraud.* The Adviser's implementation of its investment strategies relies to a material extent on the financial information made available by the management of the issuers of securities in which the CLOs invest, as well as the related representations and warranties made by such issuers in the underlying credit documentation. The Adviser does not have the ability or resources to independently verify or audit the financial information disseminated by the numerous issuers in which the CLOs invest, and accordingly it is dependent upon the integrity of both the management of these issuers and such issuers' financial reporting process in general. Recent industry events have demonstrated that investors may incur material losses as a result of corporate

mismanagement and fraud as well as accounting and reporting irregularities by issuers of both debt and equity securities.

*Illiquidity in the collateralised debt obligation, leveraged finance and fixed income markets may affect Noteholders.* In previous years, events in the collateralised debt obligation (including CLO), leveraged finance and fixed income markets have resulted in substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. No assurance can be made that conditions giving rise to similar price fluctuations and limited liquidity will not emerge in the future. During periods of limited liquidity and higher price volatility, a Relevant CLO's ability to acquire or dispose of investments at a fair price and time that it deems advantageous will likely be severely impaired. As a result, in periods of rising market prices, a Relevant CLO will be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and a Relevant CLO's inability to dispose fully and promptly of positions in declining markets will likely exacerbate losses suffered by it when its Collateral Obligations are sold. Furthermore, significant additional risks for a Relevant CLO and investors in the Notes may exist. Such risks include, among others, (i) the possibility that, after issuance of the Notes, the prices at which the Notes' collateral can be sold deteriorate from their purchase price, (ii) the possibility that opportunities for a Relevant CLO to sell its collateral in the secondary market, including credit risk obligations, credit improved obligations and defaulted obligations, be impaired, and (iii) increased illiquidity of the Notes because of reduced secondary trading in CLO securities. These additional risks have the potential to affect the returns on the Notes to investors or otherwise adversely affect Noteholders.

In recent years, the collateralized debt obligation ("CDO") (including collateralized loan obligation), leveraged finance and fixed income markets have at times contributed to and have been adversely affected by a lack of liquidity in the global credit markets. Historically, the financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Adviser deems advantageous will potentially be severely impaired, which will impair its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Furthermore, some Collateral Obligations will have a limited trading market (or none) under any market conditions. Illiquid debt obligations at times trade at a discount from comparable, more liquid investments. The impact of low liquidity on the global credit markets may adversely affect the management flexibility of the Adviser in its capacity as collateral manager in relation to the CLOs and, ultimately, the returns on Notes to investors. Recent regulatory interpretations by the United States Securities and Exchange Commission ("SEC") under Exchange Act Rule 15c2-11 may further restrict the

ability of brokers and dealers to publish quotations on the Notes on any interdealer quotation system or other quotation medium after January 4, 2025.

*LIBOR risk.* The London Interbank Offered Rate ("LIBOR") was the basic rate of interest used in lending transactions between banks on the London interbank market and was widely used as a reference rate for setting the interest rate on loans globally. As a result of benchmark reforms, publication of most LIBOR settings has ceased. In anticipation of the cessation of the use of LIBOR, financial industry groups established alternative reference rates, including the Secured Overnight Financing Rate ("SOFR"), which measures the cost of overnight borrowings through repurchase agreement transactions collateralized by U.S. Treasury securities. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to, or produce the same value or economic equivalence, as LIBOR or that contracts based on such new and developing alternative reference rates will have the same liquidity or volume as previous contracts based on LIBOR. Investments in loans, debt instruments or other investments tied to reference rates are subject to the risk of errors in the input data or in the calculation of such reference rate. The transition from LIBOR may adversely affect the liquidity and volatility of these investments. The transition from LIBOR could negatively impact financial markets and present heightened risk to a CLO and its investments.

*Third party litigation; limited funds available.* A Relevant CLO's investment activities will potentially subject it to the risks of becoming involved in litigation by third parties. This risk will be greater where a Relevant CLO exercises control or significant influence over a company's direction. The expense of defending claims against a Relevant CLO by third parties (including bankruptcy or insolvency proceedings) and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that a Relevant CLO is indemnified for such amounts, be borne by the Relevant CLO and would reduce the funds available for distribution and the Relevant CLO's net assets. The funds available to a Relevant CLO to pay certain fees and expenses of the respective trustee, the Adviser and for payment of the Relevant CLO's other accrued and unpaid administrative expenses are limited amounts available in accordance with the priorities of payments described in the relevant offering circular. If such funds are not sufficient to pay the expenses incurred by a Relevant CLO, its ability to operate effectively will be impaired, and, if such funds are sufficiently low, it will not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests.

*Limited liquidity and restrictions on transfer.* Although there is currently a limited market for notes representing collateralised loan obligations similar to the Notes, there is currently no market for the Notes themselves. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the

Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, investors must be prepared to hold such Notes for an indefinite period of time or until such Notes' maturity date. Where a market does exist, there can be no assurance that any available sale price will be at par. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of a Relevant CLO or any of its officers or directors to register under, or otherwise be subject to the provisions of, the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws, and the Relevant CLOs have no plans, and will be under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. Such restrictions on the transfer of the Notes will further limit their liquidity.

*Optional redemption and market volatility.* The market value of Relevant CLO's Collateral Obligations generally fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans, secured senior bonds and high yield bonds), political events, events in the home countries of the issuers of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such issuers. The secondary market for senior and mezzanine loans and high yield bonds is still limited. A decrease in the market value of a Relevant CLO's portfolio of Collateral Obligations would adversely affect the amount of proceeds, which could be realized upon liquidation of such portfolio and ultimately the ability of a Relevant CLO to redeem its issued Notes.

*Limited recourse obligations.* The Notes are limited recourse obligations and are payable solely from amounts received in respect of a Relevant CLO's Collateral Obligations. Payments on the Notes both prior to and following enforcement of the security over such collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Relevant CLO and to payment of principal and interest on prior ranking classes of Notes. No party to a Relevant CLO (other than the Relevant CLO itself) will be obliged to make payments on Notes of any class. Consequently, Noteholders must rely solely on distributions on relevant CLO Collateral Obligations and other collateral securing the Notes for the payment of principal, discount, interest and premium, if any thereon. There can be no assurance that the distributions on Relevant CLO Collateral Obligations and other collateral securing Notes will be sufficient to make payments on any class of Notes after making payments on more senior classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such class pursuant to the priorities of payments described in Relevant CLO offering circulars. If distributions on Relevant CLO Collateral Obligations are insufficient to

make payments on relevant Notes, no other assets will be available for payment of the deficiency and following realization of a Relevant CLO's Collateral Obligations and the application of the proceeds thereof in accordance with the respective priorities of payments, the obligations of the Relevant CLO to pay such deficiency shall be extinguished. Such shortfall will be borne by Noteholders in each case in accordance with the priorities of payments outlined in the Relevant CLO's offering circular.

Noteholders, will not be entitled at any time to institute against a Relevant CLO, or join in any institution against a Relevant CLO, of any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of a Relevant CLO relating to Notes of any class, save for lodging a claim in the liquidation of a Relevant CLO which is initiated by another non-affiliated party or taking proceedings to obtain a declaration as to the obligations of a Relevant CLO.

*Subordination of Notes.* The payment of principal and interest on any classes of Notes generally will not be made until all payments of principal and interest due and payable on any classes of Notes ranking in priority thereto pursuant to the priorities of payments have been made in full, subject to and as more fully described in the priorities of payments outlined in the Relevant CLO offering circular. Payments on subordinated Notes will be made by a Relevant CLO to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on rated Notes has been paid and, subject always to the terms and conditions outlined in the Relevant CLO's offering circular.

*Volatility of the subordinated Notes.* Subordinated Notes represent a leveraged investment in the underlying Collateral Obligations. Accordingly, it is expected that changes in the market value of subordinated Notes will be greater than changes in the market value of the underlying Collateral Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilization of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, Notes will not be paid in full, and subordinated Notes and one or more classes of rated Notes will be subject to a partial or a complete loss of invested capital. Subordinated Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the Collateral Obligations, including defaults and losses, a reduction of realized yield or other factors, will be borne first by holders of subordinated Notes, and then by the holders of rated Notes in reverse order of seniority.



CLO expenses (including management fees) are generally based on a percentage of the total asset portfolio of a Relevant CLO, including the assets obtained through the use of leverage. Given the leveraged capital structure of the Relevant CLOs, expenses attributable to subordinated Notes will be higher because such expenses will be based on total assets of a Relevant CLO.

*Custody and clearance risks.* Custody and clearance risks generally exist with Collateral Obligations or other assets comprising the portfolio of Relevant CLOs which are securities that do not clear through The Depository Trust Company ("DTC"), Euroclear or Clearstream, Luxembourg. There is a risk, for example, that such securities could be counterfeit, or subject to a defect in title or claims to ownership by other parties, including custody liens imposed by standard custody terms at various stages in the chain of intermediary ownership of such Collateral Obligations.

Any risk of loss arising from any insufficiency or ineffectiveness of the security for the Notes or the custody and clearance risks which may be associated with Collateral Obligations will be borne by Noteholders without recourse to the Relevant CLO or any other party.

*Concentrated ownership of one or more classes of Notes.* If at any time one or more investors that are affiliated hold a majority of any class of Notes, it will be more difficult for other investors to take certain actions that require consent of any such classes of Notes without their consent. For example, optional redemption and the removal of the Adviser as collateral manager for cause and the appointment of a successor collateral manager are at the direction of holders of specified percentages of subordinated Notes and/or the controlling class (as applicable and described in more detail in the Relevant CLO offering circular). Investors should also be aware that such group of Noteholders would in such circumstances exercise effective control over the exercise of rights granted to any such class and will potentially have interests that differ from other Noteholders and will potentially seek to profit or seek direct benefits from their effective control over the exercise of such rights.

*Expedited transactions.* Investment analyses and decisions by the Adviser are at times required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time such decisions are made may be limited, and the Adviser may not have access to detailed information regarding a portfolio investment. Therefore, no assurance can be made that the Adviser will have knowledge of all circumstances that adversely affect such credit investments.

*Below investment-grade Collateral Obligations involve particular risks.* The Collateral Obligations will consist primarily of non-investment grade loans or interests in non-investment grade loans, all of which are subject to liquidity, market value, credit, interest rate,

reinvestment and certain other risks. It is anticipated that the Collateral Obligations generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of Collateral Obligations.

Prices of the Collateral Obligations may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the assets. The current uncertainty affecting the US economy and the economies of other countries in which issuers of Collateral Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks (including the use of third-party appraisals to value the underlying collateral of asset-based loans) since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Below investment-grade investments, including leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that related to the Collateral Obligations, and an increase in default levels could adversely affect payments on the Notes. Although recently default rates for below investment grade debt obligations have decreased relative to prior years, there can be no assurance that default rates will not increase, perhaps significantly, in the future. All risks associated with the Issuer's investment in such obligations will be borne by the Noteholders, beginning with the subordinated Notes as the most junior class.

A non-investment grade loan, or other obligation or an interest in a non-investment grade loan, or other obligation is generally considered speculative in nature and will potentially become defaulted for a variety of reasons. Upon any Collateral Obligation going into default, such defaulted obligation will potentially become subject to either substantial workout negotiations or restructuring, which would likely entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring have the potential to be quite extensive and protracted over time, and therefore could result in substantial uncertainty with respect to the ultimate

recovery on such defaulted obligation. The liquidity for defaulted obligations is likely to be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any defaulted obligation will be at least equal to either the minimum recovery rate assumed by in rating the Notes or any recovery rate used in connection with any analysis of the Notes. Non-investment grade leveraged loans have historically experienced greater default rates than investment grade loans.

Additionally, various laws enacted for the protection of creditors will apply to the Collateral Obligations of a Relevant CLO. Such laws require the ability of a Relevant CLO to return payments received on Collateral Obligations and will possibly impair the ability of a Relevant CLO to receive sufficient payments to make payments on the Notes issued by the Relevant CLO. Additionally, insolvency proceedings with respect to a Collateral Obligation could result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the related Collateral Obligations of such Relevant CLO. See *“Insolvency considerations related to Collateral Obligations.”*

*Investing in participations involves particular risks.* Each Relevant CLO may acquire interests in Collateral Obligations either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution). Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a Collateral Obligation.

Participations by a Relevant CLO in a selling institution's portion of a Collateral Obligation typically result in a contractual relationship only with such selling institution, not with the borrower. In the case of a participation interest, the Relevant CLO will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the borrower. By holding a participation interest in a Collateral Obligation, the Relevant CLO generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, and the Relevant CLO potentially will not directly benefit from the collateral supporting the Collateral Obligation in which it has purchased the participation. As a result, the Relevant CLO will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable Collateral Obligation. In the event of the insolvency of the selling institution, the Relevant CLO, by owning a participation interest, could be treated as a general unsecured creditor of the selling institution, and could not benefit from any set off between the selling institution and the borrower. In addition, the Relevant CLO could purchase a participation from a selling institution that does not itself

retain any portion of the applicable Collateral Obligation and, therefore, could have limited interest in monitoring the terms of the Collateral Obligation agreement and the continuing creditworthiness of the borrower. When the Relevant CLO holds a participation interest in a Collateral Obligation it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder, and it is expected that each selling institution will reserve the right to administer the Collateral Obligation sold by it as it sees fit and to amend the documentation evidencing such Collateral Obligation in all respects. A selling institution voting in connection with such matters will potentially have interests different from those of the Relevant CLO and will potentially fail to consider the interests of the Relevant CLO in connection with their votes.

*Investing in covenant lite loans involves certain risks.* A significant portion of the Collateral Obligations are expected to consist of covenant lite loans. Covenant lite loans typically do not have maintenance covenants. Ownership of covenant lite loans generally exposes the Relevant CLO to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants. As a result of the ownership of such covenant lite loans, the Relevant CLO's exposure to losses will likely be increased, which could result in an adverse impact on the Relevant CLO's ability to make payments on the Notes.

*Investing in unsecured loans involves certain risks.* Unsecured loans are unsecured obligations of the applicable obligor, are generally subordinated to other obligations of the obligor and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. Unsecured obligations will generally have lower rates of recovery than secured obligations following a default. Also, in the event of the insolvency of an obligor of any unsecured obligation, the holders of such unsecured obligation will be considered general, unsecured creditors of the obligor and will have fewer rights than secured creditors of the obligor.

*Investing in second lien loans involves certain risks.* The Collateral Obligations may include second lien loans, each of which will be secured by a pledge of collateral, but which is subordinated to other secured obligations of the obligors secured by all or a portion of the collateral securing such secured loan. Second lien loans are typically subject to intercreditor arrangements, the provisions of which could prohibit or restrict the ability of the holder of a second lien loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. In addition, during a bankruptcy of the obligor, such agreements could potentially require the holder of a second lien loan to give advance consent to (a) any

use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

*Credit risk.* Risks applicable to Collateral Obligations generally also include the possibility that earnings of an issuer of such securities will be insufficient to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of the issuer of such loans and obligations during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and senior, mezzanine and high yield obligations and adversely affect the value thereof and the ability of the issuer thereunder to repay principal and interest.

There is limited historical data available as to the levels of defaults and/or recoveries that will likely be experienced on the debt securities that will comprise CLO Collateral Obligations and no assurance can be given as to the levels of default and/or recoveries that will apply to any such securities. Collateral Obligations' terms will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on Collateral Obligations will also be affected by the different bankruptcy regimes applicable in different jurisdictions, (to the extent such Collateral Obligations are secured) the availability of comprehensive security packages in different jurisdictions, and the enforceability of claims against the issuers thereunder.

*Concentration risk.* Although no significant concentration with respect to any particular issuer of Collateral Obligations, industry or country is expected to exist, the concentration of a Relevant CLO's portfolio of Collateral Obligations in any one issuer would subject the relevant Notes to a greater degree of risk with respect to defaults by such issuer, and the concentration of the Relevant CLO's portfolio in any one industry would subject the relevant Notes to a greater degree of risk with respect to economic downturns relating to such industry.

*Reinvestment risk/uninvested cash balances.* To the extent a Relevant CLO (or the Adviser on its behalf) maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in reduced amounts available for payment on relevant Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested, the greater the adverse impact on portfolio income which will reduce amounts available for payment on the relevant Notes, especially subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

*Insolvency considerations relating to Collateral Obligations.* Collateral Obligations are generally subject to various laws enacted for the protection of creditors in the countries of the

jurisdictions of incorporation of issuers and, if different, in which such issuers conduct business and in which they hold the assets, which could adversely affect such issuers' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each issuer is located or domiciled and could differ depending on whether the issuer is a non-sovereign or a sovereign entity. In particular, it should be noted that a number of continental European jurisdictions operate "debtor friendly" insolvency regimes which would result in delays in payments under Collateral Obligations where obligations thereunder are subject to such regimes, in the event of the insolvency of the relevant issuer.

*Credit ratings.* A credit rating is not a recommendation to buy, sell or hold a security, and it is subject to revisions or withdrawal at any time by the assigning rating agency. Credit ratings of debt obligations represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the likelihood that the obligor will make principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, credit ratings generally do not fully reflect all of the risks of an investment. In addition, rating agencies generally do not make immediate changes in credit ratings in response to events that impact an obligor, such that an obligor's current financial condition could be worse than a rating indicates when compared with other obligors with equivalent ratings.

*Loan repricing.* Leveraged loans could experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings, and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the issuer of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost. For example, if the credit ratings of an issuer were upgraded, the issuer were recapitalised or if credit spreads were declining for leveraged loans, such issuer would likely seek to refinance at a lower credit spread. Declining credit spreads in the leveraged loan market and increasing rates of prepayments and refinancings will likely result in a reduction of portfolio yield and interest collection on Collateral Obligations, which would have an adverse effect on the amount available for distributions on Notes, beginning with the subordinated Notes as the most junior classes. Downward movements in interest rates could adversely affect the performance of non-investment grade obligations with call or redemption features.

*High-Yield Investments* – High-yield investments may pay fixed, variable or floating rates of interest. High-yield investments face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower rated and unrated debt investments tend to reflect individual corporate developments to a greater extent than do higher-rated investments, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated investments. Companies that issue such investments are often highly leveraged and unable to access more traditional methods of financing. Major economic recessions could disrupt severely the market for such investments and have an adverse impact on the value of such investments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such investments to repay principal and pay interest thereon and increase the incidence of default of such investments. As with other investments, certain high-yield investments lack a liquid market, which could result in Clients being unable to sell such investments for an extended period of time, if at all. In addition, as with other types of investments, the market for high-yield investments has historically been subject to disruptions that have caused substantial volatility in the prices of such investments. Consolidation in the financial services industry has resulted in there being fewer market makers for high-yield investments, which increases the risk of illiquidity and volatility with respect to high-yield investments, and this trend may continue in the future.

*Valuation information; limited information.* No party will be required to provide periodic pricing or valuation information to investors. Investors will receive limited information with regard to the Collateral Obligations and none of the transaction parties (including the Relevant CLO, trustee, or the Adviser) will be required to provide any information other than what is required in the Relevant CLO governing documents. Furthermore, if any information is provided to Noteholders (including required reports), such information will not be audited. Finally, the Adviser potentially will be in possession of material, non-public information with regard to Collateral Obligations and will not be required to disclose such information to Noteholders.

*Hedging risk.* The Adviser from time to time employs hedging techniques designed to protect against adverse movements in currency, interest rates or other risks. While such transactions are aimed at reducing certain risks, such transactions themselves generally entail certain other risks and involve transaction expenses associated with the hedging. Thus, while the Adviser has the potential to benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates or other factors could result in poorer overall performance for the Adviser's Clients than if it had not entered into such hedging transactions.

*Currency risk.* The Adviser's investments in Collateral Obligations will potentially be made in a number of different currencies. Any returns on, and the value of such investments will, therefore, potentially be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors.

*Management and strategy risk.* The ability of each Client's portfolio to meet its investment objective is directly related to the Adviser's investment strategies. The investment process used by the Adviser could fail to achieve a Client's investment objective and cause investments to lose value.

*Dependence on key personnel.* The ability of the Adviser to manage the Adviser's affairs currently depends on its directors and the personnel of its affiliates. The Adviser will be relying extensively on the experience, relationships and expertise of such personnel. There can be no assurance that the same directors and/or personnel will remain employed with the Adviser or its affiliates, or otherwise continue to be able to carry on their current duties throughout the term of the Relevant CLO. In addition, the ability of the Adviser's investments to meet their investment objectives depends on certain key personnel. There can be no assurance that such individuals will remain involved with such investments or otherwise continue to be able to carry on their historical or expected roles throughout the term of such investments. Under the Adviser's integrated approach to investment management, deal generation, execution and monitoring, professionals typically contribute to more than one business line.

*Conflicts of interest.* Various potential and actual conflicts of interest arise from the overall management, advisory, investment and other activities of the Adviser and its affiliates (including other funds and investment vehicles managed thereby), on the one hand, and the Relevant CLOs, on the other. The Adviser and its affiliates manage several funds and other investment vehicles, including other collateralized loan obligation transactions, with objectives that are similar or overlapping. In addition, the Adviser and its affiliates will potentially in the future manage or sponsor other investment funds or investment vehicles with objectives that differ from those of the Relevant CLOs. Other conflicts of interest arise with respect to (i) the compensation paid to the Adviser and its affiliates by the Relevant CLOs; (ii) the allocation of time and resources by the Adviser and its affiliates and their employees among the Relevant CLOs or to other business not pertaining to the Relevant CLOs; (iii) the allocation of investment opportunities to and/or among the Relevant CLOs; and (iv) valuation of the assets of the Relevant CLOs. From time to time, the Adviser acquires for a Relevant CLO, securities of an issuer which have opposing interests to securities of the same issuer that are held by, or acquired for, one or more other Relevant CLOs, funds or investment vehicles (e.g., a Relevant CLO may acquire senior debt while one or more other Relevant CLOs, funds



and/or investment vehicles may acquire subordinated debt). Similarly, a Relevant CLO itself will potentially make investments that have opposing interests to one another, where the groups of investors holding these investments differ. Conflicts of interest are likely to arise under such circumstances.

*Participation on Creditors' Committees.* Members of the Adviser may participate on committees formed by creditors to negotiate the management of financially troubled companies, including those that are in bankruptcy or the Adviser may seek to negotiate directly with the debtors with respect to restructuring issues. If the Adviser does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the Adviser or the Relevant CLO in such proceedings. By participating on such committees, the Adviser may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Adviser to liability to such other creditors who disagree with the Adviser's actions.

*Material non-public information.* The Adviser will potentially receive material non-public information that restricts the Adviser's ability to trade in the company's securities. While the Adviser intends to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, the Adviser may trade in the company's securities while engaged in the company's restructuring activities. Such trading creates a risk of litigation and liability that would cause the Adviser to incur significant legal fees and potential losses.

*Cross trades.* The Adviser is permitted to cause Relevant CLOs to engage in cross trades with one or more other Partners Group clients in order to further such Relevant CLO's investment program, consistent with the investment guidelines and restrictions of such Relevant CLO's governing documents. Cross trades present potential conflicts of interest. For example, one Relevant CLO could be advantaged to the detriment of another Client of Partners Group in the event that the securities being exchanged are not priced in a manner that reflects their fair value (i.e., if the trade was not executed in the open market). Additionally, there is a potential conflict of interest when a cross trade involves a Relevant CLO on one side of the transaction and a Client of Partners Group with a higher management fee on the other side of the transaction. Neither the Adviser nor any of its affiliates will receive commission or other similar fees in connection with such a cross trade. Partners Group mitigates the potential conflict of interests among clients in cross trades by ensuring such transactions are in the best interests of each involved client and priced based on independent market sources. The Adviser and its affiliates have established rule-based procedures designed to ensure all involved clients' interests are fairly and equitably addressed through their participation in a

given cross trade. Partners Group mitigates the potential conflict of interests among clients in cross trades by ensuring such transactions are in the best interests of each involved client and priced based on independent market sources.

*ERISA considerations.* The Relevant CLOs intend, through the use of written or deemed representations, to restrict the ownership of certain Classes of Notes so that no assets of the Issuer will be deemed to be “plan assets” subject to Title I of the U.S. Employee Retirement Income Security Act of 1976, as amended (“ERISA”), or Section 4975 of the Code as such term is defined in Section 3(42) of ERISA and the Plan Asset Regulation. However, there can be no assurance that such restrictions will ensure that the assets of the Relevant CLO will not become subject to such provisions of ERISA or the Code. If for any reason the assets of the Issuer were deemed to be “plan assets” (as determined under the Plan Asset Regulation), certain transactions that the Relevant CLO might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt “prohibited transactions” under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Adviser, on behalf of the Relevant CLO, will potentially be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Relevant CLO were deemed to be assets constituting plan assets, (i) the assets of the CLO could be subject to ERISA’s reporting and disclosure requirements, (ii) a fiduciary causing a benefit plan investor to make an investment in the equity of the CLO could be deemed to have delegated its responsibility to manage the assets of the benefit plan investor, (iii) various providers of fiduciary or other services to a Relevant CLO, and any other parties with authority or control with respect to a Relevant CLO, could be deemed to be plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances.

*Privacy and data protection law compliance risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and in the United States, Europe and other jurisdictions regulations (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser and its affiliates and Relevant CLOs, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the

results of operations and overall business, as well as have a negative impact on reputation and investment performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for the Adviser and its affiliates and companies in which Clients have investments, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties. Jurisdictions, including US states, have proposed or are considering Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser and its affiliates and Relevant CLOs.

For more detailed information regarding any of the investment vehicles sponsored by the Adviser or its affiliates, please contact Partners Group US Management CLO LLC at (212) 908-2781 to request a copy of the Relevant CLO's offering circular.

## **Item 9 – Disciplinary Information**

SEC-registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of an investment adviser or the integrity of the adviser's management team. Neither the Adviser nor PG USA, the Adviser's sole member, or any of their respective "management persons" as defined in Form ADV have been subject to legal or disciplinary events related to this Item or are otherwise required to disclose any event required by this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

PG USA is an SEC-registered adviser and controls the Adviser through ownership. The Adviser, through a shared services agreement, relies on PG USA for its day-to-day operations; the Adviser has no employees of its own. Further, PG USA can outsource investment analysis, execution, settlement and certain other investment advisory services to other Partners Group affiliates. The Adviser, PG USA and/or their principal executive officers or senior management are also engaged in providing services to Partners Group affiliates. These activities include serving on investment committees, providing investment due diligence and research or opinions to affiliates of the Adviser and structuring and/or marketing various private funds or other investment products offered by the Adviser's affiliates.

Certain employees of PG USA are registered as representatives of a broker-dealer that is not affiliated with the Adviser.

Within the guidance set forth under applicable law, the relevant no-action letter(s) and related SEC staff guidance, registered investment advisers are permitted to access the services of unregistered affiliates under prescribed conditions ("participating affiliates"). Partners Group AG is a participating affiliate of the Adviser. The prescribed conditions include, but are not limited to, those relevant persons being subject to the Code (as defined and discussed in Item 11), the participating affiliate providing the SEC access to trading and other records, observing specific recordkeeping rules, submitting to jurisdiction of U.S. courts and cooperating with the SEC as it relates to accounts advised by the Adviser where the participating affiliates provide advisory services to the Adviser pursuant to the relevant memorandum of understanding between the Adviser and the participating affiliates.

As stated in Item 8, Partners Group's liquid loans team allocates prospective investments in securities that could qualify as Collateral Obligations among Partners Group clients, including those of the Adviser. This creates an inherent conflict of interest among Partners Group clients that the Adviser along with its affiliates mitigate through procedures designed to ensure that all Partners Group clients are treated fairly with respect to allocation of investment opportunities.

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

In an effort to avoid conflicts of interest and protect its Clients from improper behavior, the Adviser together with its sole member PG USA, have adopted a Code of Ethics (the "Code") designed to address and prevent potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Adviser's Code governs the actions of PG USA's employees and Supervised Persons that operate the Adviser's investment management business and seeks to promote an ethical and compliance-oriented environment. The Code is provided to all of the Adviser's supervised persons (which term includes all of PG USA's employees) upon hire and annually thereafter, with a requirement that each supervised person acknowledge their receipt and compliance to its provisions in writing.

The Code includes, but is not limited to, high standards of business conduct, compliance with federal securities laws, reporting of political contributions, restrictions on the acceptance of significant gifts, pre-clearance of certain personal securities transactions, and reporting of personal investments and outside business activities. The Code is designed to ensure that the personal securities transactions, activities and interests of supervised persons of the Adviser will not materially interfere with both making and implementing investment decisions in the

best interest of the Adviser's Clients (e.g. Relevant CLOs). Trading by Supervised Persons (which term also includes all employees of PG USA) is monitored by the Adviser's Chief Compliance Officer and that of PG USA to reasonably detect and manage conflicts of interest between the Adviser and its clients. Furthermore, all access persons are prohibited from trading in public equity or debt securities, and related derivative products, in which products managed by Partners Group are directly invested unless specifically reviewed and approved by the Adviser. Supervised persons who violate the Code or the Adviser's compliance manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

The Adviser can at times transact in securities on behalf of its Clients at or about the same time an affiliate of the Adviser transacts in the same security for a client of the relevant affiliate. Such joint transactions create a potential conflict of interest in that the Adviser's affiliate's clients could have investment objectives or implement investment strategies similar to those of the Adviser's clients. The Adviser and its affiliates address such conflicts through the independent investment committee and investment allocation processes described in Item 8 above through which the Adviser's Management Team ensures that the Adviser's Clients are treated fairly and equitably by both PG USA and its affiliates conducting such securities transactions.

The Adviser from time to time can cause Relevant CLOs to engage in cross trades with one or more other Partners Group clients in order to further such Relevant CLO's investment program, consistent with the investment guidelines and restrictions of such Relevant CLO's governing documents. Neither the Adviser nor any of its affiliates will receive commission or other similar fees in connection with such a cross trade. Partners Group mitigates the potential conflict of interests among clients in cross trades by ensuring such transactions are in the best interests of each involved client and priced based on independent market sources.

Further, the Adviser and its affiliates are subject to a group-wide Conflicts of Interest Directive, which describes the group-wide approach to identifying, managing, and resolving conflicts of interest both generally and in specific circumstances. This Conflicts of Interest Directive also establishes Partners Group's Conflict Resolution Board which serves as an independent decision-making body should conflicts among Partners Group's affiliates, including the Adviser, require an independent body to resolve the conflict or to further escalate it with the advisory boards or similar bodies of the respective investment vehicles.

The Code is available to Clients and prospective Clients upon written request by contacting the Adviser.

## Item 12 – Brokerage Practices

The Adviser can and does outsource trade execution for some of its investments to Partners Group, who determines how best to execute relevant trading activities authorized and directed by the Adviser's Management Team.

Partners Group selects the broker(s) to be used for such transactions subject to Partners Group's best execution standards designed to obtain the best possible result for clients. Partners Group will seek best execution by selecting a broker considering not only the cost of transactions conducted with such broker but whether the broker can provide the best overall qualitative execution, taking into consideration numerous factors, including, but not limited to market impact, execution speed, certainty and size of the order, responsiveness and overall level of customer service, and the broker's ability to settle trades in a timely manner.

Further, Partners Group can aggregate trades for the Adviser's Clients along with those of Partners Group clients such that more favorable trade prices can be realized for all clients; all such pricing benefits are allocated among Partners Group clients, including those of the Adviser, on a pro-rata basis.

The Adviser does not currently engage in soft dollar arrangements.

The Adviser does not allow Clients to direct that the Adviser execute transactions through a specified broker-dealer, a practice called directed brokerage.

## Item 13 – Review of Accounts

The Adviser regularly monitors the collateral portfolios of Relevant CLOs. For example, investment limits and restrictions are generally monitored via an internal control system on an ongoing basis and in connection with each new investment and investment performance is generally monitored monthly or quarterly. Various professionals of Partners Group participate in such reviews, from financial analysts to senior management. Additionally, the Adviser Management Team reviews the overall investment objectives, current, and planned portfolios of each Client on a quarterly basis with Partners Group's liquid loans team.

Noteholders will receive monthly written reports, as well as written reports generated on each payment date (typically quarterly) that reflect the performance of their respective Notes as well as updates on the status of the Relevant CLO in general.

## Item 14 – Client Referrals and Other Compensation

The Adviser has and expects to continue to enter into one or more agreements with third parties to act as placement agents for the CLOs. The Adviser will engage with each placement agent and a placement fee will be paid to the placement agent. The placement agent may also receive other compensation in connection with the offering of Notes for the Relevant CLO transaction based on the amount of Notes offered.

## Item 15 – Custody

The Adviser does not have custody of Client assets.

## Item 16 – Investment Discretion

The Adviser, as collateral manager, possesses discretionary authority to manage the assets of each Relevant CLO. Such authority will be bound by the investment guidelines set forth in the governing documents of each Relevant CLO.

## Item 17 – Voting Client Securities

The Adviser has the authority to vote proxies for all Relevant CLOs Collateral Obligations. The Adviser's voting procedures have been adopted pursuant to Rule 206(4)-6 under the Advisers Act and decisions are made in the best interest of each Relevant CLO's objectives. Clients are not able to direct the Adviser's vote in a particular solicitation.

Additionally, with respect to the wide variety of social and corporate responsibility issues that could be presented, Partners Group's general policy is to take a position that supports policies that are designed to protect and promote the economic value of the issuer.

## Conflicts

Where a conflict of interest is identified in relation to a proxy vote between the interests of the adviser and its Clients, the relevant investment committee will refer the matter to Partners Group's Conflict Resolution Board. When resolving conflicts of interest, the Conflict Resolution Board will make its decision, on a case-by-case determination, taking all available facts and its obligations from a regulatory perspective into consideration.

Investors can obtain a copy of the Adviser's complete proxy voting policies and procedures and obtain information regarding how any proxies were voted upon written request to Partners Group US Management CLO LLC at [DLCOMPAMAS@partnersgroup.com](mailto:DLCOMPAMAS@partnersgroup.com).

## **Item 18 – Financial Information**

A balance sheet is not required to be provided as the Adviser (i) does not require the payment of management fees or other compensation six months or more in advance; (ii) does not have a financial condition that is likely to impair the Adviser's ability to meet contractual commitments to its Clients; or (iii) the Adviser has not been the subject of a bankruptcy petition at any time.