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This “**Brochure**” provides information about the qualifications and business practices of DSC Meridian Capital LP (hereinafter “**DSC Meridian**”, “**we**”, “**us**” or “**our**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), David Gulkowitz, by email at david@dscmeridian.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that DSC Meridian or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about DSC Meridian is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is DSC Meridian's annual update to its Form ADV Part 2A. The 2024 annual update contains no material changes from the 2023 Brochure.

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Item 4: Advisory Business

DSC Meridian Capital LP (hereinafter “**DSC Meridian**,” “**we**,” “**us**” or “**our**”) is a Delaware limited partnership with a principal place of business in New York, New York that commenced business operations in June 2018. DSC Meridian is principally owned and controlled by Sheru Chowdhry (the “**Principal**”).

DSC Meridian provides discretionary investment management services to private funds and separately managed accounts (as defined below). We do not tailor our advisory services to the individual needs of any particular investor in our funds. Under certain circumstances, we may contract with a client or investor to adhere to certain risk and/or operating guidelines imposed by the client or investor. We would negotiate such arrangements on a case-by-case basis.

DSC Meridian currently manages the following private, pooled investment vehicles:

- DSC Meridian Credit Opportunities Offshore Fund Ltd., a Cayman Islands exempted company (the “**Credit Opportunities Offshore Fund**”);
- DSC Meridian Credit Opportunities Onshore Fund LP, a Delaware limited partnership (the “**Credit Opportunities Onshore Fund**”);
- DSC Meridian Credit Opportunities Master Fund LP, a Cayman Islands exempted limited partnership (the “**Credit Opportunities Master Fund**”);
- DSC Meridian Climate Action Offshore Fund Ltd., a Cayman Islands exempted company (the “**Climate Action Offshore Fund**”);
- DSC Meridian Climate Action Onshore Fund LP, a Delaware limited partnership (the “**Climate Action Onshore Fund**”); and
- DSC Meridian Climate Action Master Fund LP, a Cayman Islands exempted limited partnership (the “**Climate Action Master Fund**”).

The Credit Opportunities Master Fund, the Credit Opportunities Onshore Fund and the Credit Opportunities Offshore Fund are collectively referred to as the “**Credit Opportunities Funds**” and the Climate Action Master Fund, the Climate Action Onshore Fund and the Climate Action Offshore Fund are collectively referred to as the “**Climate Action Funds**.” Each of the Credit Opportunities Funds and the Climate Action Funds are referred to as a “**Fund**,” and collectively referred to as the “**Funds**.”

The Credit Opportunities Onshore Fund’s and the Climate Action Onshore Fund’s “**Limited Partners**” and the Credit Opportunities Offshore Fund’s and the Climate Action Offshore Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate. The securities of the funds are offered through private placement memoranda to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended.

In addition, DSC Meridian also provides discretionary investment advisory services to separately managed accounts (“**SMAs**”). Lastly, DSC Meridian provides discretionary investment advisory services as a sub-advisor to private investment funds managed by other investment advisors (the “**Sub-Advised Funds**,” and together with the Funds and the SMAs, the “**Clients**”).

Our investment decisions and advice with respect to the Funds, the SMAs, and the Sub-Advised Funds are subject to each such Client’s investment objectives and guidelines, as set forth in the Funds’ respective “**Offering Documents**,” the SMAs’ “**Investment Management Agreements**,” and the Sub-Advised Funds’ “**Sub-Advisory Agreements**” (collectively, the “**Investment Material**”).

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2023, we had approximately \$1,222,101,612 in regulatory assets under management that were managed on a discretionary basis. As of March 2024, we do not have any regulatory assets under management that we manage on a non-discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of our Clients are set forth in detail in their respective Investment Material. The extent to, and specific manner in, which our Clients are responsible for fees, performance-based compensation and/or expenses are set forth in each Client's applicable Investment Material. Such terms for the Funds are summarized below.

In general, we deduct our management fees from the Funds quarterly in advance. We generally receive performance-based compensation from the Funds either on an annual basis in arrears or upon withdrawals/redemptions by an Investor in a Fund. Management fees and performance-based compensation are generally not refundable, including upon the termination of the advisory contract.

Management fees, performance-based compensation and/or expenses may be reduced or waived in certain circumstances, including, without limitation, with respect to investments in the Funds by our personnel and/or other related persons.

Expenses

The expenses applicable to each of our Clients are set forth in detail in their respective Investment Material. Such terms for the Funds are summarized below.

Each Fund generally bears, or reimburses DSC Meridian for advancing, its own expenses, including, without limitation, the following:

- (i) expenses related to the research, execution and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including, without limitation, the following: fees and expenses related to obtaining fundamental and Environmental, Social and Governance ("ESG") related research, analytics, and market data; fees and expenses relating to reorganizations, restructurings and workouts; broken deal expenses; and other investment related due diligence expenses;
- (ii) fees and expenses of proxy research and voting services and third-party professionals, including, without limitation, consultants, experts, investment bankers, attorneys, accountants, valuation service providers, tax preparers and other service providers, whether in connection with matters related to an investment or prospective investment or operational or other matters related to the Fund; and expenses relating to engagement with a portfolio company or prospective portfolio company (including with respect to improving ESG practices and/or disclosures);
- (iii) expenses related to the trading, execution and clearing of investments, including outsourced trading provider fees; brokerage and prime brokerage fees, commissions and expenses (including the costs of negotiating, documenting and/or amending trading, financing and ISDA agreements with prime brokers and other counterparties); expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; fees related to financings or refinancings; and loan administration costs;
- (iv) operational expenses of the Fund, including, without limitation, the following: fees and expenses relating to information technology used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, and facilitate and manage the execution of securities (e.g., Bloomberg terminals, portfolio management, order management and data warehouse systems, costs of implementation and custom development); fees and expenses of third-party risk management products; third-party

- administrative fees and expenses, including of the Fund's administrator and any middle and/or back office service provider (and in connection with the provision of such services, employees of such providers will regularly participate in meetings of DSC Meridian's personnel and in other internal processes relating to the Fund's middle office and operational functions); third-party audit and tax preparation expenses; and entity-level taxes;
- (v) directors' fees and fees and expenses associated with director and governance committee meetings and general meetings of all investors in a Fund;
 - (vi) the Fund's allocable share of insurance expenses, including, without limitation, premiums for cybersecurity insurance, directors' and officers' liability insurance, errors and omission insurance and ERISA fidelity bonds covering the Fund, its general partner, DSC Meridian and our partners and employees;
 - (vii) fees and expenses related to compliance with applicable law and regulations in connection with the activities of the Fund, including, without limitation, any governmental, regulatory, licensing, filing, reporting or registration expenses, fees or taxes (e.g., the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings); and any fees and expenses related to compliance with anti-money laundering laws and regulations applicable to the Fund;
 - (viii) organizational and offering fees and expenses, including the preparation and amendment of the Fund's Offering Documents; fees and expenses of DSC Meridian incurred in connection with "world sky" matters and private placement regimes in the United States, the European Union or other jurisdictions where investors in the Fund may be located; blue sky fees and expenses; and expenses incurred in connection with negotiating, documenting and complying with provisions of any side letter agreement with investors; and
 - (ix) extraordinary expenses, including, without limitation, the following: litigation expenses of the Fund (including attorney's fees and investigative fees and expenses), the cost of settlements and indemnification expenses (including advances thereof); fees and expenses incurred in connection with any tax audit of the Fund by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of the Fund.

The Funds do not have a pre-determined limit on ordinary or extraordinary operating expenses. The Funds' actual annual operating expenses are disclosed in the Funds' year-end audited financial statements, which are provided to each investor.

Except as provided above, DSC Meridian will bear its own operating, rent, utilities and similar overhead expenses, in addition to the compensation of its employees. Further, to the extent that DSC Meridian determines that a portion of any Fund expense should be allocated to itself, DSC Meridian will allocate such expense between the Funds and DSC Meridian on a fair and equitable basis. Such expense allocations are inherently subjective determinations, but the expense allocations will be made by DSC Meridian in good faith.

The fees, performance-based compensation and/or expenses that are charged to Clients other than the Funds are negotiated on a case-by-case basis. Clients other than the Funds, including the SMAs and Sub-Advised Funds, may have management fee, performance-based compensation and/or expense arrangements that differ in one or more respects from those applicable to the Funds, and are set forth in each such Client's Investment Material.

DSC Meridian has discretion to allocate expenses (i) between Clients, and (ii) between a Client and DSC Meridian and its affiliates. DSC Meridian may allocate such expenses among Clients in any manner it deems equitable, taking into account each Client's Investment Material and applicable facts and circumstances, including the relative size of the applicable Client, the nature or source of the product

or service and the benefits derived from and the extent of use of the product or services. Nonetheless, the portion of an expense that the DSC Meridian allocates to a Client for a particular product or service might not reflect the relative benefit derived by such Client from that product or service in any particular instance. DSC Meridian's expense allocations often depend on inherently subjective determinations, but the expense allocations made by DSC Meridian will be in good faith. There may be situations in which the appropriate allocation of expenses in the course of evaluating potential investments may not be clear (for example, if a Client and one or more other Client(s) considered making an investment that was not consummated). Expenses will typically be allocated among such Client and all other Client(s) participating in the relevant investment or potential investment. However, in all cases, subject to applicable legal, regulatory, contractual or similar restrictions, expense allocation decisions will be made by DSC Meridian in its discretion in good faith.

DSC Meridian and its personnel generally can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Clients and Client portfolio investments, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as a client expense typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will exclusively benefit DSC Meridian and/or such personnel even though the cost of the underlying service is borne by clients. The value of such benefits and perquisites will neither be subject to an offset against fees or expenses payable by Clients nor will they otherwise be shared with Clients and/or portfolio investments.

Neither DSC Meridian nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

For a summary of our brokerage practices, see Item 12 below.

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

As described in Item 5 above, generally, DSC Meridian or its affiliates receive performance-based compensation from the Funds on an annual basis in arrears or upon withdrawals/redemptions by an Investor in a Fund. We also receive performance-based compensation from the SMAs and the Sub-Advised Funds that we manage as set forth in each such Client's applicable Investment Material.

The terms of the compensation that we receive differ among the Client accounts that we advise. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor an account from which we are entitled to receive performance-based compensation (or greater performance-based compensation) over other accounts. To avoid such a conflict of interest, we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the compensation to which such accounts are subject.

Participation in specific trading opportunities may be appropriate, at times, to more than one Client. In such cases, we will seek to allocate such opportunity between such Clients in a manner that we deem fair and equitable under the circumstances existing at the time we make an investment. In general, trades will be allocated to Clients following a similar investment strategy on a *pari passu* basis. There are scenarios under which we may deviate from this general policy based upon a number of factors. Such factors that we may consider when determining which securities to allocate to each Client include, but are not limited to: the intended objective and strategy of each Client and any applicable investment or risk restrictions or guidelines, including leverage constraints and position limits; the relative amounts of capital in each Client available for new investments of the type at issue; our perception of the appropriate risk/reward ratio for each Client, taking into account, among other things, market exposure, anticipated volatility and diversification; the liquidity of each Client at the time of investment and thereafter; the ability to add positions to a Client on a leveraged basis; whether the position is an "odd lot"; whether the position is being added in a "de minimis" amount; applicable contractual, legal, tax and regulatory considerations; the overall portfolio composition of each Client; and such other considerations that we determine to be relevant at such time.

We will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, a Client solely because we purchase or sell the same security for, enter into a transaction on behalf of, or provide an opportunity to, another Client if, in our reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for such Client.

Notwithstanding the foregoing, there can be no assurance that certain allocation decisions will not directly or indirectly adversely affect our Clients, even if such decisions are made in good faith. Allocations are subject to a significant degree of discretion exercised by us, including, but not limited to, in connection with portfolio rebalancing, investing in new, different or additional investment strategies and in connection with admissions and withdrawals of investors to and from the Funds that we manage. Even allocations designed to mitigate conflicts do not eliminate the possibility that an allocation of assets will not adversely affect our Clients.

Our personnel and/or other related persons may invest in one or more of our Clients. In such case, we may have an incentive to favor the Client(s) in which they have a greater economic interest and/or may have a conflict of interest in allocating investment opportunities among those Client accounts and other Client accounts. In order to mitigate these potential conflicts, we will generally follow the documented procedures referenced above.

As management fees and performance-based compensation are based directly on the net asset value of Client accounts, we have a conflict of interest in valuing the assets held in the accounts. To the extent we are responsible for valuing a Client's assets, we will follow our documented valuation policies in order to mitigate this risk.

Since the amount of compensation paid to us is dependent in part on the profitability of the applicable Client, we may have an incentive to cause Clients to make investments that are riskier or more speculative than would be the case if such compensation were not dependent on the Clients' net asset value and profitability. We recognize that we have a fiduciary duty and as such must act in the best interests of our Clients.

Clients and Investors in the Funds are urged to review their applicable Investment Material for information regarding the specific fees, performance-based compensation and expenses applicable to them.

Item 7: Types of Clients

Our current Clients are the Funds, the SMAs, and the Sub-Advised Funds, as described in Item 4 above. The Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

There are minimum investment requirements for investors in the Funds. In all cases, the minimum investment required for a Fund is subject to waiver by DSC Meridian to the extent permitted by applicable law. Details can be found in the respective Offering Documents of the Funds.

Eligible investors and minimums for SMAs and Sub-Advised Funds are specific to each such Client and are set forth in the applicable Investment Material for each such Client.

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

The descriptions set forth in this Brochure are of specific advisory services that we offer to the Funds, and investment strategies pursued, and investments made by us on behalf of the Funds, and should not be understood to limit in any way our investment activities. The advisory services that we offer to SMAs and to Sub-Advised Funds, while they may be similar to those offered to the Funds, are not necessarily identical. We may offer any advisory services, engage in any investment strategy and make any

investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the applicable Investment Material. For example, certain of our SMAs are long-only, do not use leverage and focus more on performing credit and to a lesser extent on stressed or distressed credit investment opportunities. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Clients will be achieved.

Investment Objective

Credit Opportunities Funds

The objective of the Credit Opportunities Funds is to generate superior risk-adjusted returns by investing both long and short primarily across performing, stressed and distressed corporate credit of public and private companies.

Fundamental Investment Approach. The Credit Opportunities Funds will principally invest in credit instruments and its approach can be broadly defined as opportunistic. DSC Meridian believes that credit markets are cyclical and that active and dynamic portfolio management is the best strategy to generate positive returns throughout the credit cycle. We will position the Credit Opportunities Funds' portfolio differently depending on our perception of the current stage of the credit cycle. At the top of the credit cycle, which we define by tight credit spreads and below average default rates, the priorities are to protect capital, be diversified and nimble, have meaningful shorts to generate alpha and protect the portfolio in the event that the cycle turns. At the bottom of the credit cycle, which we define by wide credit spreads and higher default rates, our objective shifts to generate equity-like returns by investing in significantly undervalued stressed and distressed securities. The approaches below underpin how we invest:

- (i) **Bottom Up:** The Credit Opportunities Funds will incorporate bottom-up fundamental research to drive its investment decisions. Specifically, we will analyze competitive dynamics and key drivers of revenue and margins, perform deep dive valuation with an emphasis on cash flow and asset coverage and understand capital structure, covenants and creditor incentives, and may also analyze environmental, social and governance matters, among other forms of analysis.
- (ii) **Opportunistic:** The Credit Opportunities Funds may invest opportunistically to capitalize on market inefficiencies from one-off dislocations to systemic market- moving events, embrace and exploit complex and misunderstood situations and invest in asymmetric events with multiple ways to win, cheap options and convex payoffs. Opportunistic investments may be held for the short-term or the long- term, depending on the opportunity.
- (iii) **Flexible:** The Credit Opportunities Funds may invest across the capital structure of an issuer, from senior secured bank debt to equity, depending on where we perceive the best risk-adjusted return.
- (iv) **Event Driven:** The Credit Opportunities Funds may invest in companies undergoing a corporate event, such as a bankruptcy, restructuring, covenant default, liquidity event, merger or LBO, etc.
- (v) **Geographical focus:** The Credit Opportunities Funds intend to invest principally in North America and Western Europe but may also invest in other markets.

ESG Integration. We will integrate material ESG factors throughout the Credit Opportunities Funds' investment process alongside our fundamental research, drawing on the Sustainability Accounting Standards Board ("SASB") framework, company disclosures (e.g., 10-Ks, proxy statements, firm presentations, governance documents, sustainability reports, etc.), engagement with company management, and third-party research and vendor data, in order to help us identify ESG issues that we believe most impact valuation, creditworthiness and cost of capital. The issues that we view as material will differ depending on industry and business lines but can range from workforce health and safety to

greenhouse gas emissions to labor standards and diversity to water use, among others. We also typically look for material overlap with the United Nations' Sustainable Development Goals ("SDGs"), as appropriate, and track ESG performance, momentum, and corporate engagement outcomes over time. The integration of ESG factors into the investment process of the Credit Opportunities Funds does not necessarily mean that ESG factors will be the most important factors in an investment decision.

In circumstances where DSC Meridian feels that it will potentially be productive, it may seek to engage with companies to try to improve performance on ESG issues that it views as material to the company's financial performance. DSC Meridian believes that in these situations engagement can serve to help companies improve disclosure and implement ESG/sustainability goals throughout business operations and thereby create value.

Climate Action Funds

The objective of the Climate Action Funds is to generate superior risk-adjusted returns by investing both long and short primarily across performing, stressed and distressed corporate credit of public and private companies, while also seeking to construct a portfolio of positions that we believe generally align with the goals of the Paris Climate Agreement over time by focusing on advancing SDG 13 (Climate Action) in an effort to limit the portfolio's impact on rising temperatures.

ESG Investment Approach. The United Nations launched the SDGs in 2015 to chart a path towards sustainable development, equity and prosperity by 2030. The SDGs seek to mobilize global action across governments, the private sector and civil society around a common set of goals and targets. SDG 13 is focused specifically on addressing climate change. We will seek to align with the goals of the Paris Climate Agreement over time by focusing on advancing SDG 13 in a manner that we believe will contribute to limiting the Climate Action Funds' portfolio's impact on rising temperatures. To assess a company's and the portfolio's alignment with this goal, we will seek to analyze Scope 1, 2, and 3 emissions (as defined by the Global Greenhouse Gas Protocol) and measure warming potential over time. Where there are information gaps, we will seek to fill them through a combination of research and engagement. We seek to pursue its overall ESG goal for the Climate Action Funds by constructing a portfolio that will generally be comprised of positions that fall into one or more of the following categories:

- (i) **Aligned:** Companies that we believe meet some or all of the following criteria, which we believe will enable them to lower their carbon footprint: commit to transparent and clear sustainability disclosure; set science-based carbon emission targets; set annual year-on-year emission or emission intensity reduction targets of at least 7%; demonstrate board oversight of, and management role in, sustainability/climate risks and strategy; include sustainability/climate metrics in executive compensation; and have a current policy on carbon emissions that aligns with the Paris Climate Agreement.
- (ii) **Low-Emitters:** Low carbon intensity companies where the SASB does not identify greenhouse gas emissions as a material issue, or companies that we believe have carbon emissions or emission intensity in line with, or lower relative to, its peers in the industry.
- (iii) **Transition Candidates:** Companies that we believe play a role in the transition to a lower carbon economy by avoiding or displacing emissions, as well as companies that we view as seeking to aggressively reduce their Scope 1 and Scope 2 emissions by divesting high carbon emission intensity businesses or investing in renewable/sustainable or low carbon emission intensity businesses.
- (iv) **Engagement Candidates:** Companies that we believe are not aligned with Paris Climate Agreement, but with respect to which we attempt to engage to reduce their carbon footprint, by encouraging them to commit to: transparent and clear sustainability disclosure; set science-based carbon emission targets; set annual year-on-year emission or emission intensity reduction targets; demonstrate board oversight of, and management role in, sustainability/climate risks

and strategy; include sustainability/climate metrics in executive compensation; and divest high carbon intensity business or invest in renewable or sustainable or low carbon emission intensity businesses.

ESG Integration. We will integrate material ESG factors throughout the Climate Action Funds' investment process alongside its fundamental research, drawing on the SASB framework, company disclosures (e.g., 10-Ks, proxy statements, firm presentations, governance documents, sustainability reports, etc.), engagement with company management, and third-party research and vendor data, in order to help us identify ESG issues that we believe most impact valuation, creditworthiness and cost of capital. The issues that we view as material will differ depending on industry and business lines but can range from workforce health and safety to greenhouse gas emissions to labor standards and diversity to water use, among others. We also typically look for material overlap with the United Nations' SDGs, as appropriate, and track ESG performance, momentum, and corporate engagement outcomes over time. The integration of ESG factors into the investment process of the Climate Action Funds does not necessarily mean that ESG factors will be the most important factors in an investment decision.

Where appropriate, we intend to engage with companies to try to improve performance on a certain ESG issues that we view as material to the company's financial performance. We believe that engagement will serve to help companies set targets, improve disclosure, and implement ESG/sustainability goals throughout business operations.

Fundamental Investment Approach. The Climate Action Funds will principally invest in credit instruments and its approach can be broadly defined as opportunistic. DSC Meridian believes that credit markets are cyclical and that active and dynamic portfolio management is the best strategy to generate positive returns throughout the credit cycle. We will position the Climate Action Funds' portfolio differently depending on our perception of the current stage of the credit cycle. At the top of the credit cycle, which we define by tight credit spreads and below average default rates, the priorities are to protect capital, be diversified and nimble, have meaningful shorts to generate alpha and protect the portfolio in the event that the cycle turns. At the bottom of the credit cycle, which we define by wide credit spreads and higher default rates, our objective shifts to generate equity-like returns by investing in significantly undervalued stressed and distressed securities. The approaches below underpin how we invest:

- (i) **Bottom Up:** The Climate Action Funds will incorporate bottom-up fundamental research to drive its investment decisions. Specifically, we will analyze competitive dynamics and key drivers of revenue and margins, perform deep dive valuation with an emphasis on cash flow and asset coverage and understand capital structure, covenants and creditor incentives, and may also analyze environmental, social and governance matters, among other forms of analysis.
- (ii) **Opportunistic:** The Climate Action Funds may invest opportunistically to capitalize on market inefficiencies from one-off dislocations to systemic market-moving events, embrace and exploit complex and misunderstood situations and invest in asymmetric events with multiple ways to win, cheap options and convex payoffs. Opportunistic investments may be held for the short-term or the long-term, depending on the opportunity.
- (iii) **Flexible:** The Climate Action Funds may invest across the capital structure of an issuer, from senior secured bank debt to equity, depending on where we perceive the best risk-adjusted return.
- (iv) **Event Driven:** The Climate Action Funds may invest in companies undergoing a corporate event, such as a bankruptcy, restructuring, covenant default, liquidity event, merger or LBO, etc.
- (v) **Geographical focus:** The Climate Action Funds intend to invest principally in North America and Western Europe but may also invest in other markets.

Risk Management

DSC Meridian believes that risk management starts with diligent fundamental underwriting and a focus on principal protection. Each position undergoes rigorous fundamental modeling and analysis, which may include industry assessment, business valuation, cash flow, capital structure analysis, covenant and legal due diligence, and consideration of environmental, social and governance factors, among others. We believe that the primary risk at the position level is permanent capital loss. To mitigate position level risk, we seek to purchase each security with a margin of safety or, in our view, a significant discount to underlying business value, typically with a preference for tangible assets over intangible assets. In addition, we will typically utilize scenario analyses to determine a position's fundamental downside and prospective return.

At the portfolio level, we utilize qualitative and quantitative factors in our risk management process, with an emphasis on diversification and sell discipline. A key component of our approach to risk management is regular meetings with the entire investment team to review the portfolio performance vis-à-vis the markets and prior expectations.

DSC Meridian seeks to monitor and manage risk both at the portfolio and individual position level. DSC Meridian intends to manage risk and construct a well-balanced and diversified portfolio through the following key mechanisms (but may update, revise, modify or discontinue any of these practices at any time as it determines in its discretion): net exposure in the portfolio, position sizing, sector concentration, liquidity, duration, sell discipline, hedging and currency exposure.

Risk of Loss and Risk Factors

An investment in any of the Funds or any other product managed by DSC Meridian involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Investing in securities involves risk of loss that Clients and Investors should be prepared to bear. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with DSC Meridian.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

Risks Relating to Each Fund

The following risks are applicable to each Fund advised by us. Many of these risks apply to our SMA and Sub-Advised Fund Clients as well.

Investment and Trading Risks. All securities investments risk the loss of capital. We believe that the Funds' trading program and our research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Fund's trading program will be successful or that the Funds will not incur losses. The Funds' trading program may utilize trading techniques including, but not limited to, short selling and the use of leverage and derivatives, which in practice can, in certain circumstances, increase the adverse impact to which the Funds may be subject.

In certain transactions, the Funds may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the subject company or the degree of legal and regulatory risk associated with investments in the securities of companies in such situations. This can result in losses, even if the proposed transaction is consummated. We will attempt to assess the

foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Investment Analysis. When assessing investment opportunities, we rely on resources that may have limited or incomplete information. In particular, we rely on publicly available information and data filed with various government regulators or made directly available to us by the issuers of securities or through sources other than the issuers. Although we expect that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, we will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates. Furthermore, our investment analysis may be impacted by our integration of ESG information with our fundamental research throughout the investment process.

As a result, there can be no assurance that the due diligence exercise carried out by us will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Funds.

Concentration of Investments. The Funds are not restricted in the amount of its capital that may be committed to any issuer, industry, sector or geographic region, and at times the Funds may hold a relatively large concentration in a particular issuer, industry, sector and/or geographic region. Losses incurred in connection with those investments could have a material adverse effect on the Funds' overall financial condition. This is because the value of the Funds' investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, industries, sectors or geographic regions than would be the case with a more diversified investment portfolio.

Fixed Income Securities and Loans. The Funds will invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bank debt, bonds, notes, debentures and commercial paper, as well as derivatives thereon. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Funds invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

The Funds may trade in fixed-income securities that are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. DSC Meridian may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options, or may decide not to do so in order to express its investment view. However, there can be no guarantee that DSC Meridian will be successful in fully mitigating the impact of interest rate changes if it desires to do so.

Bank Loans. The Funds' investment program includes investments in bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect

to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce its rights with respect to participations. In analyzing each bank loan, we compare the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Funds.

Certain newer loans use standardized documentation in an attempt to facilitate loan trading. Although this may improve market liquidity, there can be no assurance that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that any level of liquidity will continue. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high-yield debt market. *“High Yield” Securities*. The Funds may invest in “higher yielding” (and, therefore, higher risk) debt securities. Such securities are generally considered to be below “investment grade” and 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. In certain periods, there may be little or no liquidity in markets for these securities. Furthermore, it is likely that a major economic recession or financial crisis could have a materially adverse impact on the value of such securities. High yield securities have historically experienced greater default rates than has been the case for investment grade securities. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates. The markets for high yield securities tend to be more volatile, less liquid and less active than those for higher-rated securities, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities at times of market dislocation. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these securities.

Distressed Investments. The Funds will invest in “distressed investments” – securities, trade claims, litigation claims, warrants and other derivatives, bank debt and other obligations of entities which are experiencing significant financial or business difficulties, including for example, companies in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Distressed investments may result in significant returns but involve a substantial degree of risk. The Funds may lose a substantial portion or all of its investment in a distressed investment or may be required to accept cash or securities with a value less than the Fund’s investment. In addition, it frequently may be difficult to obtain information as to the true condition of such companies. Such investments also may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the U.S. Bankruptcy Court’s discretionary power to disallow, subordinate or disenfranchise particular claims. The market price of such securities is subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In investing in distressed securities, litigation is sometimes required, which can be time-consuming and expensive, and can lead to unpredicted delays or losses.

Trade claims are purchased on an individual basis from trade creditors of an insolvent entity. As a result, it may be difficult for DSC Meridian to identify claimholders and to acquire a sufficient quantity of claims to make an investment worthwhile. Trade claims are subject to individual defenses that may be asserted by the debtor as well as possible deficiencies in the seller’s title to the claim. As a result, the Funds will have a greater risk of loss than would apply to a more generic debt instrument and the Funds may be forced to incur substantial legal fees in enforcing their rights.

The Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may

result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Risks of Litigation. Investing in distressed securities and other strategies employed by us can be a contentious and adversarial process. Different investor groups may have qualitatively different, and frequently conflicting, interests. The Funds' investment activities may include activities that are hostile in nature and will subject the Funds to the risks of becoming involved in litigation with the issuer, or other stakeholders, governmental entities or other third parties. This risk may be greater where a Fund exercises control or significant influence over a company's direction. The expense of pursuing or defending against claims and paying any amounts pursuant to settlements or judgments would be borne by the Funds and could have an adverse effect on the Funds. DSC Meridian will be indemnified by the Funds in connection with such litigation, subject to certain limitations.

Special Situations. The Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies.

Convertible Securities. The Funds may invest in convertible securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by the Funds is called for withdrawal, the Funds will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Funds' ability to achieve its objective.

Illiquid Securities. The Funds may also trade in illiquid securities (whether or not the issuer is distressed), such as unregistered securities of publicly held companies. Such positions may require a significant amount of time from the date of initial investment before disposition. At various times, the markets for securities purchased or sold by the Funds may be "thin" or illiquid, making the purchase or sale of securities at desired prices or in desired quantities difficult or impossible. There may be no market for unlisted securities traded by the Funds. In some cases, the Funds may be contractually prohibited from disposing of such securities for a specified period of time. Further, the sale of any such positions may be possible only at substantial discounts and such positions may be extremely difficult to value. If a substantial number of investors in the Funds were to redeem from the Funds and the Funds did not have a sufficient number of liquid securities, the Fund might have to meet such withdrawals through distributions of illiquid securities.

Equity Securities. The Funds may invest in equity and equity-related securities, including as a result of the restructuring, work-out, spin-off, reorganization, bankruptcy or similar transaction or event. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect the Funds' positions.

Investments in Private Companies. The Funds may from time to time invest in private companies (i.e., companies without any publicly traded securities). Investments in private companies are subject to various risks, including the illiquidity of the investment being made. The Funds may be unable to sell its interest in a private company because there may be no market for such interests. In addition, when investing in a private company, there is no market efficiency or testing in order to determine the correct price for interests in the company. Therefore, the Funds could pay more for interests in a private company than their intrinsic value. Typically, private companies will have very limited reporting obligations, so there may be limited or no information available to investors such as the Funds regarding, among other things, a private company's business prospects and results of operations. Private companies frequently have less oversight from independent directors and regulatory agencies and have less seasoned management teams.

Non-U.S. Investments. The Funds may trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S. Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated in, or the prices of which are quoted in, non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. The Funds might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds' performance.

Leverage and Borrowing Risks. DSC Meridian intends to use leverage as part of the Funds' trading program and the amount of leverage which the Funds may have outstanding at any time may be substantial in relation to their capital. Leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Funds were not leveraged. If the amount of borrowings which the Funds may have outstanding at any one time is large in relation to their capital, fluctuations in the market value of the Funds' portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the Funds' assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Funds, the value of the Funds' assets will generally decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of the Funds' assets should fall below required regulatory or counterparty-imposed levels, the Funds will be required to reduce its debt by selling securities in its long portfolio. The Funds may also be unable to carry-out its trading program if it is not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are “leveraged,” such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose the Funds to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require the Funds to post collateral to support their obligations. Should the securities and other assets pledged as collateral decline in value or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Funds could be subject to a “margin call” pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the Funds might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Funds. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Funds may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults under the Funds’ agreements with other brokers, lenders, clearing firms or other counterparties, creating or increasing a material adverse effect on the performance of the Funds.

Currency Risks. The Funds may invest in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar. In connection therewith, we may hedge against the resulting currency exposure wherever economically prudent. However, changes in currency exchange rates will affect the value of the Funds’ portfolio and the unrealized appreciation or depreciation of investments. Further, the Funds may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Funds at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Funds will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward contracts to purchase or sell non-U.S. currencies.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Funds invest may decline or rise substantially. In particular, purchasing assets at prices that may appear to be “undervalued” is no guarantee that such assets will not be trading at even more “undervalued” levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be “overvalued” is no guarantee that such assets will not be trading at even greater “overvalued” levels at the time of valuation or at the time of sale.

Hedging Transactions. The Funds may utilize various financial instruments, both for trading purposes and for risk management purposes in order (i) to protect against possible changes in the market value of the Funds’ portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) to protect the Funds’ unrealized gains in the value of the Funds’ portfolio; (iii) to facilitate the sale of any such investments; (iv) to enhance or preserve returns, spreads or gains on any investment in the Funds’ portfolios; (v) to hedge the interest rate or currency exchange rate on any of the Funds’ liabilities or assets; (vi) to protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (vii) for any other reason that we deem appropriate in our discretion.

The success of the Funds’ hedging strategy will depend, in part, upon our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities changes as markets change or time passes, the success of the Funds’ hedging strategy will also be subject

to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in such hedging transactions. For a variety of reasons, we may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss.

DSC Meridian may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Funds' portfolio holdings.

Short Sales. A short sale involves the sale of a security that the Funds do not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Funds must borrow the security and the Funds are obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Funds. When the Funds make a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or

U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are made on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to the Funds. The extent to which the Funds will engage in short sales will depend upon our trading strategy and perception of market direction and the value of individual securities. We may engage in short sales on behalf of the Funds as a hedge against potential market declines and/or based on its analysis of the subject issuers.

Derivatives Generally. Derivative instruments, or "derivatives," include options, futures, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. The Funds may seek to acquire derivatives for these or other reasons, however, there is no assurance that derivatives that the Funds wish to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of

other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Over-the-counter ("OTC") derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Funds are subject to the credit risk of the counterparty. The Funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the trading objective of the Funds and legally permissible. Special risks may apply to instruments that are invested in by the Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the Funds.

Credit Default Swaps. The Funds may purchase and sell credit derivatives contracts – primarily credit default swaps – for hedging and for other purposes. The typical credit default contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. In addition, the parties may be required to post collateral to secure their obligations, which can reduce the amount of collateral or funds available for other purposes. The Funds may also purchase and sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of credit default swaps, the Funds are subject to certain risks. In circumstances in which the Funds do not own the debt securities that are deliverable under a credit default swap, the Funds are exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. In either of these cases, the Fund would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, the Funds incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity’s debt obligations to deliver to the Funds following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Funds.

Counterparty Risk. Some of the markets in which the Funds may affect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such “over-the-counter” transactions. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated its transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of the Funds’ transactions with any one counterparty. The ability of the Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

The Funds’ trading strategy may involve transactions that expose it to the credit of its counterparties, and vice versa. For example, the Funds may seek to borrow against long positions, to borrow securities intending to sell them short and to enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market customs and practices, the parties’ prior course of dealing and by the covenants of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Furthermore, the prime brokerage agreement between the Funds and its prime broker may be terminated at any time upon notice from the prime broker without penalty. Should it become necessary to remove or reduce credit exposure to a particular counterparty, or in the event that the prime broker elects to terminate the prime brokerage agreement, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Funds will be able to avail

itself of that alternative. As a consequence, it is possible that positions may be unwound at a disadvantageous time and any unwinding and/or porting of positions to another counterparty may prove costly and thereby damage the Funds.

Market Disruption Events and Geopolitical Risks. The Funds may trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a “**Market Disruption Event**”), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for DSC Meridian to value the positions that trade in the affected markets, and the Funds may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments. Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Fund’s investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear the Fund’s trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of the Funds to trade its positions. Market Disruption Events could also have a direct physical impact upon the Funds’ and/or DSC Meridian, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

While DSC Meridian has taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that the Funds would not suffer material adverse consequences should a Market Disruption Event occur.

SMAs. DSC Meridian, and/or their affiliates render advice to SMAs. Such accounts may invest on a substantially pari passu basis with the Funds and have portfolios that are substantially similar to the Fund’s portfolios. In addition, since a managed account investor directly owns the investments held in its SMA, such investor may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the Funds’ portfolios. Investors in the Funds may not be provided with comparable transparency. The investors in such SMA may have the right to redeem all or a portion of their capital from such SMA on shorter notice and/or with more frequency than the terms described in the Funds’ Offering Documents.

As a result of the foregoing, DSC Meridian, and/or their affiliates may be required to sell positions on behalf of such SMAs to satisfy redemptions from such SMAs, including at times when redemptions may not be made from the Funds. DSC Meridian is not under any obligation to sell positions on behalf of the Funds at such time, and may determine to hold such positions for a Funds for an indefinite period of time. DSC Meridian may determine to add to a Funds’ positions that are being sold by such SMAs and, subject to applicable law, may cause the Funds to purchase all or any portion of the positions sold by such SMAs. Sales of such positions for the benefit of such SMAs may have an adverse effect on the value of a Funds’ corresponding positions. In addition, the value realized by such SMAs in connection with such redemptions may differ from the value realized by the Funds when it disposes of the same positions at a later time.

Risks of Investments in the Cannabis Industry. The Funds may invest in securities issued by companies in, or related to, the cannabis and hemp industries. These industries are currently subject to various evolving rules and regulations at federal, state, and local levels. The Funds may be adversely affected by disparities between federal, state and local law and the lack of clarity with respect to issues of jurisdiction and preemption. It remains illegal under United States federal law to grow, cultivate, sell, use or possess cannabis for any purpose, or to open, lease, rent, use, or maintain any place for any such purposes, or to assist or conspire with those who do so. Due to this illegality, the assets of the Funds related to the cannabis industry and any corresponding distributions provided to investors could also be forfeited through civil or criminal forfeiture proceedings and the Funds and its owners and investors

could be subject to civil or criminal liability under federal law including substantial fines and imprisonment. Additionally, due to the illegality under United States federal law, investments made by the Funds in U.S. entities operating in the U.S. cannabis industry may also constitute an illegal activity under the Proceeds of Crime Act (As Revised) and the Misuse of Drugs Act (As Revised) of the Cayman Islands.

Although the Department of Justice published the Cole Memorandum in 2013, which generally stated that the Department of Justice will not prioritize the prosecution of cannabis related activities authorized under state laws, with the change in presidential administration, the Department of Justice rescinded the Cole Memorandum in January 2018. Since then the Department of Justice has not yet clarified its policy regarding prosecution of cannabis related activities authorized under state law. If federal enforcement action was taken against the Funds in respect of its cannabis related investments, the Funds could incur total losses on such investments. Additionally, future regulatory change is impossible to predict, and any trend in the legalization of medical or recreational cannabis use is not necessarily indicative of the future legal landscape. The ability of state legal cannabis businesses (and businesses working directly with cannabis businesses) to seek bankruptcy protection in federal court due to the illegality of the business is currently unclear. This makes it difficult to determine how the Fund's investments would be treated in the event of a bankruptcy. In addition, some courts have determined that contracts relating to state legal cultivation and sale of marijuana are unenforceable on the grounds that they are illegal under federal law and therefore void as a matter of public policy. This could substantially impact the rights of parties making or defending claims involving the Funds, and any lender or investor. Furthermore, because the use and sale of cannabis largely remains illegal and subject to criminal prosecution in many jurisdictions, including under U.S. federal law, companies operating in compliance with the laws of their state or other jurisdictions may nonetheless encounter difficulties transacting business with integral service providers.

ESG Integration. DSC Meridian will integrate ESG-related information when conducting its fundamental analysis of investment opportunities for the Funds. ESG integration may take into consideration how companies interact with all their stakeholders – including customers, suppliers, regulators, employees, communities and the environment generally – and the contributions this could have (both negative and positive) to their long-term success. ESG information may provide us an additional lens to use when assessing a company's performance beyond traditional financial analysis, particularly in light of continuing improvements in the quality, disclosure and accessibility of ESG information. Our use of ESG criteria when assessing investments may affect the Funds' exposure to certain companies, sectors, regions, and countries and may affect the Funds' performance depending on whether such investments are in or out of favor.

Corporate ESG Disclosures. The application of ESG integration in connection with identifying and selecting securities of issuers will often require subjective analysis, and, with respect to issuers in certain countries (such as the U.S.), may be relatively more difficult than applying the ESG integration to securities of other issuers because data availability may be more limited with respect to issuers in certain countries (such as the U.S.). For example, under current SEC regulations and guidance that apply to U.S. issuers, the disclosure of ESG issues is required only if "material" —meaning that information regarding an ESG issue is required to be disclosed only if it would be viewed as significantly altering the "total mix" of information available for investors. While the regulatory environment in the U.S. is evolving, it remains unclear if the U.S. will adopt regulation to address the lack of standardization in ESG definitions and processes. In contrast, the European Union (the "EU"), for example, is adopting standardized definitions through its recently published Taxonomy Regulation and standardized processes through its Sustainable Finance Disclosure Regulation. These measures form part of a broader suite of ESG initiatives in the EU designed to facilitate compliance with Paris Climate Agreement climate targets. However, even the EU Taxonomy Regulation has already been criticized for being narrowly focused on a subset of environmental criteria. See "ESG Research and Data" below.

ESG definitions, criteria and standards for disclosure are expected to vary from country to country, which in turn may impact the consistency of our own ESG analysis. Furthermore, certain countries in

emerging markets may have limited or no ESG reporting standards and therefore it may be difficult to find ESG related information with respect to such companies. We may have to conduct our own ESG analysis and ratings of such companies based on limited information.

ESG Research and Data. Our ESG integration is informed in part by third-party market reports and data that measure the ESG performance, commitment and effectiveness of certain companies. The ESG reporting ecosystem is rapidly evolving and is made up of an ever-increasing number of frameworks, standards and providers of ESG research and ratings. The number of ESG ratings providers expanded in recent years, but instead of leading to greater market clarity, the resulting ratings often are inconsistent or even conflicting, and also compete with one another due to differences in framework, measures, key indicators and metrics, data use, qualitative judgement approaches and form. As a result, rated companies often struggle to interpret ESG rating reports in the context of their own internal assessment of the company's ESG performance, and investors are left unsure of which ratings can be relied upon. Divergences in ratings are commonplace. Moreover, ESG ratings can be challenging to interpret by their nature of aggregating a variety of issues. Combined ESG ratings (i.e., the final ratings reported by ESG rating agencies) also take into account social and governance factors, which are equally broad topics that similarly lend themselves to varying interpretations of scope and measurement categories. For example, a company might excel in worker health and safety but demonstrate poor performance with respect to the board's risk management oversight or diversity and inclusion. Positive performance in one area does not necessarily negate poor performance in another – a point that combined ratings might obscure. Even when one adjusts for differing measurement methodologies, it is difficult to find consistency across ratings.

Due to the lack of mandatory ESG reporting standards, providers of ESG ratings use not only data disclosed voluntarily by the company, but also data from third-party sources to evaluate ESG issues identified as relevant by the ESG rating agency. For example, if a company does not report water use data, an agency may use data from water utilities near the company's known operational sites to estimate the water used by the company at those locations. Actual company disclosure does not always match what is reported by ESG data providers, suggesting they may impute ESG data. Different imputation methods can produce very different results, threatening the validity of any analysis that uses the data. Furthermore, ESG data is unaudited. Significant data omissions, unsubstantiated claims and inaccurate figures can be difficult to identify within sustainability reports.

Environmental ratings are of particular concern, given that their use and relevance have only recently been considered on a global level. The "Environment" rating within ESG generally seek to explicitly capture both the downside risks from carbon emissions, waste, and impact from climate change, as well as how companies take advantage of such opportunities. It is, however, generally based on (i) assessment of external risks from climate change; (ii) risk management of issuer-specific resources to mitigate the effects of the climate change on the business operations and financial returns; and (iii) efforts to pursue opportunities to shift to enhancing revenues, profitability and/or capital use based on a shift to more climate-friendly activities or resource usage. While these steps can have a net positive impact on the environment, all else equal, it should be noted that this does not explicitly measure an issuer's overall impact on the environment.

ESG Engagement. The Funds invest primarily in debt securities and are therefore typically a creditor of the applicable issuer. We may find issuers less willing to engage on ESG issues with it (as a creditor) than such companies would with shareholders. Unlike creditors, companies owe shareholders fiduciary duties and have to be responsive to shareholder proposals and potential equity activism. Furthermore, there can be no guarantee that our engagement with a company will actually improve and/or impact its ESG ratings or its financial performance.

Additional Risks Relating to the Credit Opportunities Funds

In addition to the risks set forth above, the following risks primarily relate to the Credit Opportunities Funds.

ESG Integration. The integration of ESG factors into the investment process for the Credit Opportunities funds does not necessarily mean that ESG factors will be the most important factors in an investment decision. While we may integrate ESG research into its investment process, no representation is made that any investment in the Credit Opportunities Funds' portfolio will be considered by third parties to be ESG compliant or to be an ESG investment, and prospective investors should not consider the Credit Opportunities Funds to be ESG funds.

Additional Risks Relating to the Climate Action Funds

In addition to the risks set forth above, the following risks primarily relate to the Climate Action Funds.

Paris Climate Agreement and SDG 13 (Climate Action). From an ESG perspective, we will be seeking to construct a portfolio of positions for the Climate Action Funds that we believe generally align with the goals of the Paris Climate Agreement over time by focusing on advancing SDG 13 (Climate Action) in an effort to limit the portfolio's impact on rising temperatures. However, there is no guarantee that we will achieve our ESG goals for the Climate Action Funds. Furthermore, the Climate Action Funds' ESG goals may change based on updates to the Paris Climate Agreement, SDGs and/or other changes to international views or objectives with respect to climate change.

Potential Adverse Impact of ESG Investing on Performance Results. The criteria related to our ESG integration and analysis may result in the Climate Action Funds' foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might otherwise be disadvantageous for it to do so. Additionally, we may exit or reduce the Climate Action Funds' position size in a company should management teams not be willing or able to engage on certain ESG matters. For example, our fundamental investment analysis may indicate that an investment in the securities of a company has the potential to generate attractive returns, but because of ESG considerations we may decide not to make such investment.

Specifically, we seek to pursue its ESG goal by constructing a portfolio for the Climate Action Funds that will generally be comprised of positions that fall into certain categories as described above (i.e., "aligned companies," "low emitters," "transition candidates" and "engagement candidates"). We may therefore forego a potentially profitable investment opportunity in a company because it does not fall within one or more of these categories.

We will have to weigh seeking to pursue its ESG goal against its goal of achieving superior risk-adjusted returns for investors. This could result in weighing our ESG goal over superior returns in some instances and weighing superior returns over our ESG goal in other instances. Applying our ESG integration and analysis may adversely affect the Climate Action Funds' performance compared to similar funds that do not utilize such ESG integration.

ESG and Short Sales. One of the more contentious issues around defining ESG include shorting and ESG improvement. Shorting assets with poor ESG qualities can either be perceived as a source of alpha, or such assets can be excluded from the investment universe altogether on the basis that it would be morally wrong to profit from a "bad" company. The Climate Action Funds' portfolio may not always reflect the complete ESG ratings of the companies in which it owns securities because it does not aggregate its long and short positions when evaluating its ESG goal.

Item 9: Disciplinary Information

There have been no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

The Principal of DSC Meridian is also the principal owner of the general partner of the Credit Opportunities Onshore Fund and the Credit Opportunities Master Fund, and the general partner of the Climate Action Onshore Fund and the Climate Action Master Fund.

Lack of Exclusivity

DSC Meridian and the Principal are not required to devote all or any specified portion of its or his time to managing Clients' affairs, but only to devote so much time to such affairs as it or he reasonably believes is necessary in good faith. DSC Meridian and its affiliates and personnel will not be restricted from forming other Funds, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with existing Clients and/or may involve substantial time and resources of the DSC Meridian and its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of DSC Meridian and its affiliates and personnel will not be devoted exclusively to the business of a Client but will be allocated between the management of some Clients and the management of other Clients and businesses.

Other Activities of DSC Meridian and its Affiliates

Conflicts of interest may arise from the fact that DSC Meridian and its affiliates and personnel currently do, and may in the future, provide investment management services to Clients other than the Funds. Other Clients may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Funds, or may compete with or have interests adverse to the Funds. Additionally, the interests and investment objectives, programs and strategies of the Funds will not always align with one another. In particular, DSC Meridian provides investment management services to both the Credit Opportunities Funds and the Climate Action Funds, which have a similar investment strategy, except that respect to the Climate Action Funds, DSC Meridian also seeks to construct a portfolio of positions that it believes generally align with the goals of the Paris Climate Agreement over time by focusing on advancing SDG 13 (Climate Action) in an effort to limit the Climate Action Funds' portfolio's impact on rising temperatures. DSC Meridian expects that the portfolios of the Credit Opportunities Funds and the Climate Action Funds will overlap.

Such conflicts could affect the prices and availability of securities in which Clients invest. Even if a Client has investment objectives, programs or strategies that are similar to those of another Client, DSC Meridian may give advice or take action with respect to the investments held by, and transactions of, one Client that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, another Client for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the Clients. As a result, such Clients may have substantially different portfolios and investment returns. Conflicts of interest may also arise when DSC Meridian makes decisions on behalf of one Client with respect to matters where the interests of DSC Meridian or one or more other Client(s) differs from the interests of such Client.

Capital Structure Conflicts

A Client may make an investment in a position that is subordinated or senior to or otherwise adverse to a position held by one of more of other Client(s) (e.g., investing in debt versus equity in the same company). It is possible that the activities or strategies used for such other Client(s) could conflict with the activities and strategies employed in managing the assets of a Client and affect the prices and availability of the securities and instruments in which such Client invests. For example, the Climate Action Funds may invest in the equity of a company because DSC Meridian believes that engagement

with such company could improve its ESG practices or policies, while another Client may hold or contemporaneously invest in the debt of the same company because DSC Meridian believes that will enhance such other Client's performance. In such situation, DSC Meridian will be subject to a conflict of interest in determining whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced.

Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. In this example, the Climate Action Funds may have an interest in structuring debt securities and instruments that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are less beneficial to the holders of such securities or instruments than the terms that such other Client would seek to negotiate because doing so would allow the company to more readily further stated ESG objectives. DSC Meridian will seek to resolve such conflicts of interest in a fair and equitable manner. Conflict resolution may result in a Client receiving more or less consideration than it may have otherwise received in the absence of such a conflict of interest.

Co-Investments

DSC Meridian may, from time to time, offer certain Investors and/or third parties the opportunity to co-invest with a Client in particular investments. DSC Meridian is not obligated to arrange co-investment opportunities, and no Clients or Investors will be obligated to participate in such an opportunity. DSC Meridian has sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Client or Investor and may allocate co-investment opportunities instead to investors in other Clients or to third parties. If DSC Meridian determines that an investment opportunity is too large for its Clients, it may, but will not be obligated to, make proprietary investments therein. DSC Meridian may also enter into "side letter" agreements with Investors or other investors giving such Investors the right to participate in co-investments offered to other Investors. The economic and other terms of any co-investment will be determined by DSC Meridian in its discretion on a case-by-case basis, and DSC Meridian may receive fees and/or allocations from co-investors, which may differ among co-investors and also may differ from the fees and/or allocations borne by the Funds or other Clients.

Selection of Broker-Dealers, Counterparties and Service Providers

DSC Meridian may be subject to conflicts relating to its selection of brokers, dealers and counterparties on behalf of a Client. Portfolio transactions for a Client will be allocated to brokers, dealers and counterparties on the basis of numerous factors and not necessarily lowest pricing. Brokers, dealers and counterparties may provide other services that are beneficial to DSC Meridian or certain Clients, but not necessarily beneficial to other Clients. See Item 12 below.

Certain advisors and other service providers, or their affiliates, to the Funds may also provide services to or have business, personal, familial, political, financial or other relationships with DSC Meridian or its affiliates. Such advisors and service providers may be investors in other Clients, sources of investment opportunities for DSC Meridian, the Funds or other Clients or may otherwise be co-investors with or counterparties to transactions involving the foregoing. These relationships may influence DSC Meridian in deciding whether to select or recommend any such advisor or service provider to perform services for the Funds (the cost of which will generally be borne directly or indirectly by the Funds). Notwithstanding the foregoing, DSC Meridian will generally seek to engage advisors and service providers for its Clients on the basis of the overall quality of advice and other services provided.

In addition, we have a conflict of interest where a service provider (e.g., legal counsel or accountants) provides services directly to us or one of our affiliates, and separately provides services to one or more Clients, in that we or our affiliates may potentially obtain services at a lower cost (or obtain other terms that are more beneficial) than we or our affiliates otherwise could have as a result of the service provider's work performed on behalf of, and the compensation paid to the service provider by, such

Clients. In particular, unless inconsistent with our applicable written Client agreement, costs associated with services rendered to the benefit of a Client may be borne by such Client. We and our affiliates may use some of the same service providers as are retained on behalf of one or more Clients and, in some cases, fee rates, amounts or discounts may be offered to us and our affiliates by a third-party service provider which differ from those offered to a Client as a result of scheduled or ad hoc rate changes, differences in the scope, type or nature of the service or transaction, alternative fee arrangements and negotiation.

Item 11: Code of Ethics, Participation/Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a Code of Ethics (the “**Code of Ethics**”) which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our Clients, and that we must conduct our business in a manner that enables us to fulfil this fiduciary duty. Among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any Client or prospective Client upon request.

Under our Code of Ethics, we place certain restrictions on the personal trading activities of our employees and their immediate family members. Our employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- The interests of Clients must be placed first at all times;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below, and must conduct the transaction with the intent to follow the policy in order to avoid conflict of interest, or any abuse of an Employee’s position of trust and responsibility;
- Employees must not misrepresent DSC Meridian or their role within DSC Meridian;
- Employees should not take inappropriate advantage of their position with DSC Meridian; and
- All employees must comply with applicable securities laws.

Under our Code of Ethics, employees are prohibited from:

- short selling;
- transacting in derivatives;
- participating in initial public offerings; and
- purchasing or selling securities that appear on DSC Meridian’s restricted list.

Employees are permitted to maintain personal brokerage accounts for the purpose of engaging in limited personal trading activity provided that the trading activity does not represent a conflict with their job responsibilities. Employees are permitted to request pre-approval to make certain investments (including limited offerings and private investments), as further described in our Code of Ethics. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities.

Item 12: Brokerage Practices

DSC Meridian has sole discretion to determine the broker-dealers and other financial intermediaries to use in effecting transactions for the Fund, and the commission rates or mark-ups/mark-downs to be paid for such transactions. DSC Meridian may or may not have the discretion to determine the broker-dealers and other financial intermediaries for its SMA and Sub-Advised Fund Clients, depending on the terms of the applicable Investor Material.

Best Execution

For Clients for which DSC Meridian has such discretion, in selecting brokers or dealers to effect portfolio transactions, we will seek “best execution” taking into account such factors as it determines to be relevant, which may include price (including the applicable brokerage commission or mark-up or mark-down), size of the order, difficulty of execution, the operational facilities and reliability of the firm involved, the firm’s promptness of execution, adequacy of the firm’s trading infrastructure, technology and capital, the quality of service rendered to DSC Meridian in other transactions, confidentiality considerations, the firm’s financial stability and reputation, special execution capabilities, access to underwritten offerings, secondary markets and over-the-counter investment opportunities, the availability of securities to borrow for short trades, the firm’s ability to accommodate any special execution or order handling requirements that may surround a particular transaction, any research or brokerage products or services provided by such brokers or dealers, and such other factors as we deem appropriate. DSC Meridian need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread available.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

The prime brokers for the Funds provide DSC Meridian with front and back-office services, including trading, securities lending, clearing, reporting, and settlement for fixed income, swaps, foreign currency and options, among others. Such prime brokers may also provide DSC Meridian with capital introduction, talent recruitment and other services. The Funds will pay fees to the prime brokers in accordance with the fee schedules negotiated with such prime brokers.

Soft Dollars

We may use “Soft Dollars.” “Soft dollar” arrangements generally arise when an investment advisor obtains products and services, other than securities execution, from a broker in return for directing Client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for an advisor in that such arrangements allow the advisor to pay with Client commissions expenses that would otherwise be borne by the advisor.

From time to time, DSC Meridian causes a Client to pay a broker or dealer commissions (or mark-ups or mark-downs with respect to certain types of riskless principal transactions) at a higher rate than that which another broker or dealer might have charged for effecting the same transaction in recognition of the value of the brokerage and research services provided by the broker or dealer. We intend that the use of any commissions or “soft dollars” to pay for research or brokerage products or services will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Generally, where a product or service obtained with commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with Client commission dollars.

Neither DSC Meridian nor any related person receives Client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction

and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds and other Clients.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a broker may benefit any Client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

The prime brokers for the Funds provide us with front and back-office services, including trading, securities lending, clearing, reporting, and settlement for fixed income, swaps, foreign currency and options, among others. Such prime brokers may also us with capital introduction, talent recruitment and other services.

Aggregation of Orders

DSC Meridian may, in its discretion, aggregate trades made by any Client and any other Client, subject to best execution. Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more Clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among Client accounts on an average price basis.

When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by DSC Meridian. As a result, certain trades in the same security for one Client (including a Client in which DSC Meridian and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Trade Error Policy

Generally, Clients (and not DSC Meridian or its affiliates or personnel) will (i) be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence or willful misconduct in the performance of the obligations and duties of DSC Meridian and its affiliates and personnel in respect of the Clients, as the case may be, and (ii) receive the gain from such trading errors, as the case may be. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the large volume of transactions executed by DSC Meridian or its affiliates on behalf of Clients, Clients and Investors should assume that trading errors (and similar errors) will occur and that Clients and Investors (and not DSC Meridian or its affiliates or personnel) will receive the gain from any such errors, or be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of DSC Meridian or its affiliates or personnel.

DSC Meridian faces a potential conflict of interest because, should a trade error occur, DSC Meridian (and not an independent third party) would be the party that determines whether such trade error resulted from the gross negligence or willful misconduct of DSC Meridian or its affiliates and personnel. However, notwithstanding this potential conflict of interest, in all cases, DSC Meridian would make such determination in good faith.

Cross Trades; Principal Transactions

DSC Meridian may determine that it would be in the best interests of one or more Clients to transfer a security from one Client to another (each such transfer, a “**Cross Trade**”) for a variety of reasons, including, without limitation, as a result of legal, tax or regulatory considerations, liquidity purposes, to rebalance the portfolios of the Clients, or to reduce transaction costs that may arise in an open market transaction. If DSC Meridian decides to engage in a Cross Trade, it will determine that the trade is in the best interests of both of the Clients involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Clients.

DSC Meridian generally intends to execute Cross Trades, if at all, with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two fund Clients may occur as an “internal cross”, where DSC Meridian instructs the custodian for the Clients to book the transaction at the price determined in accordance with its valuation policy and procedures. If DSC Meridian effects an internal cross, DSC Meridian will not receive any fee in connection with the completion of the transaction.

To the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”)) due to the ownership interest in a Client by DSC Meridian or its personnel, DSC Meridian will comply with the requirements of Section 206(3) of the Advisers Act. In connection with principal transactions, Cross Trades, related-party transactions and other transactions and relationships involving potential conflicts of interest, each Investor shall be deemed to have authorized the independent members of the governance committee, if any for such Client, to approve or disapprove such transactions and conflicts of interest. Such members of the governance committee, if any, may approve of such transactions or conflicts of interest prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law. Any decision of such members of the governance committee, if any, will be binding on all Investors in such Client.

Item 13: Review of Accounts

Client accounts are typically reviewed by the Principal or his designee on a daily basis for conformity to the objectives and risk criteria applicable to such accounts, and compliance with any applicable investment guidelines and restrictions.

Account Reporting

We perform various periodic reviews of each Client’s portfolio. Such reviews are conducted by our investment team. We will distribute an audited financial report with respect to the previous fiscal year to all Fund Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

We may provide certain additional information to any investor, or prospective investor, in a Fund (or to any of our Clients or prospective Clients) who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications but will not be distributed to other investors and prospective investors who do not request such information. Such information may affect a prospective investor’s decision to invest, and investors (which may include our personnel, affiliates and/or Clients) who receive such additional information may be able to act on such additional information and redeem their investments potentially at higher values than other investors. Each investor is responsible for asking such questions that it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

We may also provide Clients with reports in such forms and at such times as such Clients and we may agree.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-Clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for Client referrals.

If a Client is introduced to us by a third-party solicitor, we and/or our affiliates may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 under the Advisers Act to the extent applicable. Any such referral fee will be paid solely by us or our affiliates and will not result in any additional charge to the Client, unless the Client agrees otherwise in its applicable written agreement with us. Placement agents are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated in connection with the investment of their clients' assets with us or in the Funds that we manage. In August 2021, we entered into a third-party solicitation agreement with Eaton Partners, a business division of Stifel, Nicolaus & Co., Inc., for the purpose of soliciting potential Investors for the Funds. The terms of such agreement are in conformity with the foregoing.

Item 15: Custody

Client funds and securities are maintained by qualified custodians to the extent required by Rule 206(4)-2 under the Advisers Act. However, for purposes of the Advisers Act, we may be deemed to have custody of Client funds and securities.

For our Fund Clients, we comply with Rule 206(4)-2 of the Advisers Act (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

DSC Meridian does not have custody of the SMAs' and the Sub-Advised Funds' assets.

Item 16: Investment Discretion

We have full discretionary investment authority with respect to the Funds, the SMAs, and the Sub-Advised Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. The Investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the Offering Documents of such Funds.

On a case-by-case basis, Clients other than the Funds may negotiate certain risk and/or operating guidelines that we will adhere to when exercising our discretionary authority over such accounts as set forth in the applicable Investment Material.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the "proxy voting rule"), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable Client's best interests and is in line with the Client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant Client and the returns on those securities;
- the anticipated associated costs and benefits;

- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, Clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients and have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Not applicable.