



ROMARK
CREDIT ADVISORS LP

ROMARK CREDIT ADVISORS LP

Form ADV, Part 2A Disclosure Brochure

March 27, 2024

*151 West 42nd Street
New York, New York 10036
(212) 867-9090
www.romarkadvisors.com*

This Brochure provides information about the qualifications and business practices of **ROMARK CREDIT ADVISORS LP**, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”) and its relying adviser. If you have any questions about the contents of this brochure, please contact us at (212) 867-9090 or legal@romarkadvisors.com. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about **ROMARK CREDIT ADVISORS LP** is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

CRD No. 298909

SEC File No. 801-114216

ITEM 2: MATERIAL CHANGES

Romark Credit Advisors LP is required to identify and discuss any material changes made to its Brochure since its last annual update.

This is Romark Credit Advisors LP's annual updating amendment to its last Brochure, which was filed on March 30, 2023. While this update to our Brochure contains changes and updates to certain information, we do not feel the changes and updates since we last filed an annual update to our Brochure are material.

ITEM 3: TABLE OF CONTENTS

Item 2:	Material Changes	2
Item 3:	Table of Contents.....	3
Item 4:	Advisory Business	4
Item 5:	Fees and Compensation	6
Item 6:	Performance-Based Fees and Side-By-Side Management.....	8
Item 7:	Types of Clients.....	10
Item 8:	Methods of Analysis, Material Risks of Investment Strategies and Risk of Loss.....	11
Item 9:	Disciplinary Information.....	29
Item 10:	Other Financial Industry Activities and Affiliations.....	30
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	32
Item 12:	Brokerage Practices	36
Item 13:	Review of Accounts.....	39
Item 14:	Client Referrals and Other Compensation	40
Item 15:	Custody	41
Item 16:	Investment Discretion	42
Item 17:	Voting Client Securities.....	43
Item 18:	Financial Information	44

ITEM 4: ADVISORY BUSINESS

A. BACKGROUND

ROMARK CREDIT ADVISORS LP (“RCA”) is a Delaware limited partnership that was formed in 2016 and registered with the SEC on October 29, 2018. RCA is registered with the SEC as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC does not imply a certain level of skill or training.

RCA is under common control with Shenkman Capital Management, Inc. (“Shenkman”), an SEC-registered global investment advisory firm founded by Mark R. Shenkman in 1985. Prior to its registration as an investment adviser with the SEC, RCA was a relying adviser of Shenkman. Mark R. Shenkman, through Romark Trust LLC and Romark Credit Advisors GP LLC, is the controlling owner of RCA.

Romark CLO Advisors LLC (“RCLO”) is a Delaware limited liability company that was formed in 2017. RCLO is a relying adviser of RCA. Prior to the registration of RCA, RCLO was a relying adviser of Shenkman. RCLO is under common control with RCA.

Romark CLO Ventures LLC (“RV”), a Delaware limited liability company formed in 2017, is the managing member of RCLO. RCA is the controlling owner of RV.

As used herein, the term “Romark” will include RCLO and RCA, as the case may be. The terms “Shenkman Group”, “we” “us”, and “our” shall mean Shenkman, Romark and their affiliates. An advisory client of Romark (as discussed in Section B. below) shall be referred to as a “Romark Client” and collectively as “Romark Clients.” References to an advisory client of the Shenkman Group shall be referred to as a “Shenkman Group Client” and collectively as “Shenkman Group Clients.” References to Romark Clients and Shenkman Group Clients shall include Romark CLOs and the Romark CBOs (as each are defined in Section B. below).

For the avoidance of doubt, Shenkman does not provide any advisory services to Romark Clients. While certain Shenkman shareholders, officers, and/or employees are shareholders, officers, and/or employees of RCA, and in some instances, are shareholders, officers, and/or employees of all three of Shenkman, RCA, and RCLO. When such shareholders, officers, and/or employees are acting on behalf of Romark Clients, they are doing so in their capacity as Romark shareholders, officers, and/or employees and not in their capacity as Shenkman shareholders, officers, and/or employees.

All policies and procedures described herein apply to the Shenkman Group. Shenkman refers to its employees or other supervised persons as “team members” and any team member that may perform services for the Shenkman Group is subject to the Shenkman Group’s compliance policies and procedures. Please refer to “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for additional information.

B. OUR SERVICES

Romark’s primary business is to sponsor and provide investment advisory services as a collateral manager to collateralized loan obligations (“Romark CLOs”), collateralized bond obligations (“Romark CBOs”), and other securitized vehicles. Currently, RCA is collateral manager to two (2) Romark CBOs and RCLO is collateral manager to seven (7) Romark CLOs.

The Romark CLOs invest primarily in leveraged loans. The Romark CBOs invest primarily in a mix of high-yield bonds and leveraged loans. Romark also implements and manages warehouse or similar facilities established in anticipation of the launch of a Romark Client. Romark has, and expects that it may in the future, employ leverage through total return swap facilities, cash flow financing, or other facilities either directly, through special purpose vehicles, or in Romark Clients.

Romark in the future may manage or subadvise accounts or funds that are not CLOs, CBOs, or securities vehicles. These accounts or funds may invest in instruments issued by Romark Clients or be established for the express purpose of investing in Romark Clients.

Romark manages each Romark Client subject to the powers, duties, and limitations described in the collateral management agreement entered into between Romark and the Romark Client and the indentures governing the Romark Client. Potential investors in Romark Clients should review the relevant offering document, indenture, and other constituent documents (together, the "Constituent Documents") pertaining to the particular Romark Client for additional information.

As of December 31, 2023, Romark served as investment adviser to seven (7) CLOs and two (2) CBOs and had regulatory assets under management of approximately \$3,143,869,600, all of which are managed on a discretionary basis.

Romark does not sponsor or participate in any wrap fee programs.

RCA has entered into an agreement (the "Intercompany Services Agreement") with Shenkman pursuant to which Shenkman provides to RCA, for a fee, among other things, credit research and analysis, shared team members and systems, and assistance and advice on certain support services, including, but not limited to, compliance, operations, finance, information technology and development, and human resources.

To facilitate the provision of its services to Romark Clients, RCLO and RCA have entered into an agreement (the "Staff and Services Agreement") whereby RCA provides (or arranges for the provision of) to RCLO, for a fee, certain personnel, facilities and systems that may assist RCLO with various middle and back-office services, including (without limitation): (i) administrative services under the Constituent Documents of each Romark CLO, (ii) compliance support and general risk analysis, (iii) advice relating to the appointment of valuation providers, (iv) assistance in the preparation of reports, (v) credit research, (vi) information technology infrastructure and (vii) physical facilities.

Romark has entered, and in the future may enter into, arrangements with certain investors in Romark Clients that grant such investors special or more favorable rights that are not available to all investors. Such special or more favorable rights may include, but are not limited to: (i) different fee arrangements, which may include fee sharing arrangements; (ii) additional reporting and/or greater access to certain information; (iii) opportunities to meet or speak with Romark's investment team; and (iv) key-person, material litigation, and similar notifications rights.

The descriptions set forth herein and elsewhere in this document of specific advisory services offered to Romark Clients and investment strategies pursued and investments made on behalf of Romark Clients, should not be understood to limit in any way Romark's investment activities. Romark may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Romark considers appropriate, subject to each Romark Client's Constituent Documents.

Persons reviewing this Brochure should not consider it an offer to sell or any solicitation to buy securities of any CLO, CBO, securitized vehicle, investment fund or account managed by Romark or any other member of the Shenkman Group. Such an offer will only be made by means of an offering document delivered to eligible qualified investors. The offering document and other constituent documents will detail the types of investments that may be purchased/sold. The investment strategies pursued by the Shenkman Group are speculative and entail substantial risks. Shenkman Group Clients should be prepared to bear a substantial or total loss of capital. There can be no assurance that the investment objectives of any Shenkman Group Client will be achieved.

ITEM 5. FEES AND COMPENSATION

A. HOW ROMARK IS COMPENSATED

As compensation for the performance of services under the applicable collateral management agreement of each Romark Client, Romark is generally entitled to receive from each Romark Client (a) a senior collateral management fee, (b) a subordinated collateral management fee, and (c) an incentive fee (subject to a hurdle rate as provided in the relevant Constituent Documents). Fees are calculated and paid by an independent trustee pursuant to the indenture governing each Romark Client.

For specific information regarding the above referenced fees, please refer to the Constituent Documents of the specific Romark Client.

Romark may also receive management fees payable under warehouse documents as negotiated by Romark on a deal-by-deal basis and/or structuring fees or “warehouse success fees” (collectively, “Warehouse Fees”). Warehouse Fees may include fees similar to the management fees and incentive fees described above, as well as certain fees negotiated in connection with a payoff of such warehouse facility. Such fees shall be described in the transaction documents for a warehouse facility.

RCA also receives a fee from RCLO under the Staff and Services Agreement. Please see “Item 4: Advisory Business” and “Item 10: Other Financial Industry Activities and Affiliations” for more details concerning the Staff and Services Agreement.

B. PAYMENT OF FEES

Payment of fees is made by an independent trustee pursuant to the indenture governing each Romark Client.

C. OTHER FEES AND EXPENSES

In addition to the fees noted above, Romark Clients will generally be responsible for certain costs and expenses reasonably incurred by Romark in connection with the performance of its obligations under the Constituent Documents of a Romark Client, including, but not limited to: (i) costs and expenses of legal advisers, independent accountants, rating agencies, consultants, brokers and other professionals retained by a Romark Client or by Romark on behalf of a Romark Client; (ii) any and all fees, expenses and other costs relating to the acquisition and disposition (whether or not consummated), management, maintenance, custody, monitoring, pricing, and administration of the underlying investments owned by a Romark Client, including, without limitation, the reasonable expenses incurred by or on behalf of Romark relating to any pricing and research data services retained by Romark, compliance services and software, accounting, programming and data entry services, any review, waiver or amendment with respect to underlying investments and the reasonable travel and out-of-pocket expenses of Romark and its agents and the costs of setting up and maintaining computer programs to monitor the underlying investments; (iii) expenses associated with participation on formal and informal creditor committees and any legal expenses incurred in connection therewith or otherwise to enforce a Romark Client’s rights in respect of any investment (e.g., expenses relating to reorganizations, restructurings and workouts) and including any expenses incurred in connection with the organization and operation of vehicles formed to hold all or a portion of a Romark Client’s investments; (iv) expenses incurred for general business operations of Romark Clients, including charges or expenses incurred by Romark in performing non-advisory services on behalf of a Romark Client (in each case, in connection with the transactions contemplated hereby); (v) fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of a Romark Client; (vi) any fees, expenses or other amounts payable to the rating agencies; (vii) all taxes, regulatory and governmental charges (not based on the income of Romark), insurance premiums or expenses; (viii) any expenses related to compliance with regulatory requirements on behalf of a Romark Clients, the costs of any litigation or investigation involving activities of the Romark Clients; and (ix) as otherwise agreed upon by a Romark Client and Romark.

For specific information regarding costs and expenses that are applicable to a Romark Client, please refer to the Constituent Documents of that Romark Client.

D. PREPAYMENT OF FEES

All fees paid by the Romark Clients to Romark are paid in arrears. There is no prepayment of fees to Romark by any of the Romark Clients.

E. SALES BASED COMPENSATION

Neither Romark nor any of its supervised persons receives any sales based compensation for the sale of securities or the sale of other investment products.

F. ALLOCATION OF INVESTMENT EXPENSES

Throughout the course of carrying out its investment advisory activities, the Shenkman Group will at times incur expenses on behalf of multiple Shenkman Group Clients, or on behalf of the Shenkman Group and Shenkman Group Client(s) ("Common Expenses"). The Shenkman Group seeks to allocate Common Expenses in a fair and reasonable manner consistent with its fiduciary duties.

Common Expenses will generally be allocated among applicable Shenkman Group Clients on a pro rata basis. However, the Shenkman Group has, and expects that it may in the future, deviate from pro rata allocation with respect to expenses that the Shenkman Group determines disproportionately benefit a particular Shenkman Group Client or group of Shenkman Group Clients. The determination as to the methodology to be used in such instances is generally based on relative use of the product or service, the nature or source of the expense, the relative benefits derived by the Shenkman Group Clients from the product or service, or other relevant factors. Where it is determined that an expense disproportionately benefits a particular Shenkman Group Client, the Shenkman Group may charge all or part of the expense to that Shenkman Group Client. Investors in a Shenkman Group Client should refer to the offering documents pertaining to a particular Shenkman Group Client for additional information regarding the allocation of expenses. Compliance Team approval is required for any deviation from a pro rata allocation.

The Shenkman Group's determinations with respect to whether certain specific expenses should be allocated fully to one or more Shenkman Group Clients, treated as Common Expenses, or borne entirely by the Shenkman Group, although incorporating objective information and criteria, often requires subjective judgments. The Shenkman Group has a conflict of interest when making such judgments because the Shenkman Group will bear the costs of any expenses not allocated fully or partially to a Shenkman Group Client. In addition, the allocation of certain Common Expenses among multiple Shenkman Group Clients could affect the size or performance of, and therefore the fees or performance compensation earned by the Shenkman Group with respect to, certain Shenkman Group Clients. Therefore, the Shenkman Group will generally have a conflict of interest when determining how to allocate expenses among such Shenkman Group Clients.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed above in “Item 5: Fees and Compensation,” and consistent with Rule 205-3 under the Advisers Act, Romark is entitled to receive performance-based compensation from Romark Clients. Performance-based compensation creates an incentive to make investments that are riskier or more speculative than would be the case in the absence of such compensation. Certain Romark Clients have higher fees or more favorable performance-based compensation arrangements than other Romark Clients. Romark may share a portion of its fees with one or more investors in the Romark Clients. In addition, certain Shenkman Group Clients may have higher fees or more favorable performance-based compensation arrangements than other Shenkman Group Clients, including Romark Clients. Consequently, a conflict of interest exists because the Shenkman Group has greater incentive to favor Shenkman Group Clients from which the Shenkman Group receives higher management fees and/or with whom it has more favorable, performance-based compensation over another Shenkman Group Client, including a Romark Client. Please also see “Item 10: Other Financial Industry Activities and Affiliations” and “Item 12: Brokerage Practices,” for more details on conflicts resulting from the management of multiple clients by the Shenkman Group.

The Shenkman Group has adopted and implemented policies and procedures intended to address these potential and actual conflicts of interest, including trade allocation and aggregation policies. The Shenkman Group’s allocation policy seeks to allocate investment opportunities among Shenkman Group Clients fairly over time, and our aggregation policy generally requires that Shenkman Group Clients participate in aggregated orders on an average price basis, along with all other transaction costs, if any. We also have systems and controls to monitor that investments made on behalf of a Shenkman Group Client comply with the applicable investment guidelines and restrictions pertaining to such Shenkman Group Client.

A. ALLOCATION OF INVESTMENT OPPORTUNITIES

The Shenkman Group will generally allocate investment opportunities among eligible Shenkman Group Clients pro rata based on each Shenkman Group Client’s total net asset value, or pursuant to alternative approved methodologies, including, without limitation, pursuant to (i) a target weighting of an account’s concentration in an applicable issue, issuer, industry, credit rating, duration, maturity, cash level, or similar portfolio attribute; (ii) a rotational system; (iii) a random selection of eligible accounts; or (iv) as otherwise approved by the Shenkman Group’s Legal and Compliance Department.

A Shenkman Group Client will generally be presumed to be eligible to participate in an investment opportunity executed on behalf of Shenkman Group Clients with similar investment objectives, strategies and risk profiles, provided, however, that an eligible Shenkman Group Client may be excluded from participating in an investment opportunity, or the amount of an eligible Shenkman Group Client’s allocation may be limited based on, among other things, the client’s investment guidelines, restrictions and specific instructions; legal, regulatory or tax restrictions; portfolio diversification/concentration considerations; and timing of cash flows, account liquidity and cash balances. Allocations are generally adjusted for rounding based on lot size and minimum increment requirements, or as otherwise approved by the Legal and Compliance Department.

It is our goal to provide individualized treatment and customized solutions to each Shenkman Group Client. Due to the differences in investment objectives, strategies, guidelines and restrictions, along with the other criteria outlined above, including the availability and relative value of investment opportunities, there will be differences among accounts in invested positions and investments held, and such differences can be meaningful. There are no assurances that each Shenkman Group Client will participate in each eligible investment opportunity. In all cases, we seek to identify and mitigate all conflicts of interest and allocate investments fairly over time and in accordance with our fiduciary duties.

B. ORDER AGGREGATION

The Shenkman Group maintains a general practice of aggregating Shenkman Group Client trade orders for execution in order to achieve more favorable execution prices by buying or selling investments in greater quantity. Any initial allocations made prior to an order being placed will be subject to adjustment depending upon, among other considerations: (i) the actual amount purchased or sold (e.g., partially-filled orders); (ii) lot size and minimum increment requirements; and (iii) if the order is a sale transaction, remaining position size by account. Aggregated orders are typically allocated among accounts based upon an average price, with all other transaction costs, if any, shared among the accounts on a fair and reasonable basis. Furthermore, due to the fact that market conditions fluctuate throughout the trading day, the Shenkman Group bifurcates the trading

day into morning and afternoon trading sessions, and generally aggregates orders generated in the morning trading session separately from orders generated during the afternoon trading session.

ITEM 7: TYPES OF CLIENTS

As noted above, Romark's only clients are the securitized vehicles (e.g., the Romark CLOs and the Romark CBOs) with whom Romark has entered into collateral management agreements. Romark has, and expects that in the future it will, manage warehouse or similar facilities established in anticipation of the launch of a Romark Client. Romark may also manage or subadvise accounts or funds that will invest in instruments issued by Romark Clients. In certain instances, such accounts or funds may be established for the express purpose of investing in Romark Clients.

The equity and the debt tranches of the Romark Clients are generally limited to be purchased by qualified institutional buyers and non-U.S. persons, including, but not limited to, public and private pension funds, sovereign wealth funds, investment companies, banks, trusts, and insurance companies. Romark (and/or its affiliates) expects to maintain an investment in the Romark Clients, but it may sell a portion or all of its investment at its own discretion to eligible qualified institutional investors in accordance with each Romark Client's applicable Constituent Documents.

ITEM 8: METHODS OF ANALYSIS, MATERIAL RISKS OF INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGY

Romark's investment strategy with regard to the Romark CLOs focuses primarily on the leveraged finance markets, including leveraged loans. Romark's investment strategy with regard to Romark CBOs focuses primarily on the leveraged finance markets, including a mix of high-yield bonds and leveraged loans.

The Shenkman Group performs research into prospective investments utilizing analytical processes and proprietary tools. Such research generally includes, among other things, a review of the company's financial statements, comparisons with similar public and private companies, meetings with company management, and analyzing relevant industry data. In conducting such research, the Shenkman Group may consult the following sources of information: financial publications, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases, and any other material the Shenkman Group deems relevant. For individual investments the Shenkman Group may research, among other things, payment and loss history, contractual terms, and interest income. Participation in a Romark Client is only suitable for investors who have knowledge and expertise in financial and business matters and are capable of evaluating the merits and risks of an investment in a Romark Client. Investments in Romark Clients are highly speculative and may involve the risk of total loss of an investor's investment. Investors in Romark Clients should be aware that restrictions or guidelines may limit Romark Clients to certain types of investments, which may not be diversified. The Romark Clients are generally not intended to provide a complete investment program and Romark expects that the assets it manages do not represent all of the investor's assets. Investors are responsible for appropriately diversifying their assets.

The Shenkman Group provides advice and management with respect to all segments of the capital structure of leveraged companies. The Shenkman Group's services relate to registered securities and securities and instruments not registered under the U.S. Securities Act of 1933 (including, but not limited to, securities issued pursuant to Rule 144A and Regulation S promulgated under that Act, as well as leveraged loans). Depending on the investment strategy employed, the Shenkman Group may invest in U.S. dollar denominated and non-U.S. dollar denominated investment grade debt, below-investment grade debt, and equity instruments, including, but not limited to, notes, bonds (cash pay, zero coupon and toggle), convertible securities (bonds and preferred stock), yankee bonds, bonds with attached warrants, non-convertible preferred stock and other equity securities, U.S. Treasury and agency issues, and leveraged loans made to corporate borrowers, including term loans, bridge loans, delayed draw term loans, revolving loans and letter of credit facilities. We also provide advice and management with respect to: (i) defaulted and distressed bonds and other securities and obligations; (ii) defaulted and distressed leveraged loans; and (iii) equity and debt securities issued by CLOs/CBOs.

From time-to-time, the Shenkman Group also invests in derivative or synthetic securities that derive their value from an underlying security or instrument, and may engage in "Total Rate of Return" swap or similar transactions. The Shenkman Group also may provide advice and management with respect to equity securities issued by highly leveraged companies and investment grade companies, as well as put and call options. The Shenkman Group does, and Romark may in the future, enter into short positions, and may employ straddles, spreads and other combinations of put and call options and may use options or other derivatives, instruments and techniques for hedging purposes or to implement a strategy where we do not believe an investment in the underlying instrument is feasible or in the best interests of our clients. The Shenkman Group may also engage in repurchase and reverse repurchase agreements or similar transactions. The Shenkman Group does, and Romark may in the future, engage in foreign exchange currency transactions to hedge the underlying portfolio, or a specific share class in a Shenkman Group Client, including a Romark Client, against declines in the value of certain investments and/or share classes as a result of changes in currency exchange rates.

Investing involves the risk of loss, including loss of principal, which investors should be prepared to bear.

B. MATERIAL RISKS OF INVESTMENT STRATEGY

Investors in Romark Clients and Romark Clients should understand that all investment strategies and the investments made pursuant to such strategies involve the risk of loss, including the potential loss of the entire investment. The investment performance and success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of an investment in a Romark Client and a Romark Client's investment will fluctuate due to market conditions and

other factors. The following is a list of material risks Romark believes are associated with its investment strategies; it does not purport to be a complete enumeration or explanation of all such risks.

Business and Market Risks. Investments in CLOs and CBOs may involve a high degree of business and financial risk, which could result in substantial loss. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. The possibility of partial or total loss of capital will exist.

CLO Risks Generally. There are numerous risks associated with an investment in a CLO, including that interests issued by a CLO have limited liquidity and that there are restrictions on their transfer; the CLO may have limited assets to make payment on the interests issued by a CLO; certain instruments issued by a CLO are subject to greater risk of nonpayment than more senior tranches; and the holders of interests may have limited rights with respect to underlying collateral. Holders of interests issued by a CLO are also exposed to the risks of the underlying assets in which the CLO invests, which will consist primarily of leveraged loans, with a potential secondary focus on other types of leveraged credit, such as high yield debt securities. Investors should carefully review a Romark CLO's Constituent Documents for additional risk factors associated with each Romark CLO.

CBO Risks Generally. There are numerous risks associated with an investment in a CBO, including that interests issued by a CBO have limited liquidity and that there are restrictions on their transfer; the CBO may have limited assets to make payment on the interests issued by a CBO; certain instruments issued by a CBO are subject to greater risk of nonpayment than more senior tranches; and the holders of interests may have limited rights with respect to underlying collateral. Holders of interests issued by a CBO are also exposed to the risks of the underlying assets in which the CBO invests, which will consist of a mix of high-yield bonds and leveraged loans. Investors should carefully review a Romark CBO's Constituent Documents for additional risk factors associated with each Romark CBO.

Diversification and Concentration. Romark may select investments for the Romark CLOs and the Romark CBOs that are concentrated in a limited number or types of instruments. In addition, Romark CLOs and Romark CBOs may become significantly concentrated in investments related to a single or a limited number of issuers, industries, sectors, markets, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose Romark CLOs and Romark CBOs to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such investments.

Lack of Control. Romark invests in debt instruments and may receive equity of companies that it does not control, which may be acquired through market transactions, through purchases directly from the issuer or other holders, or as part of a restructuring. Such instruments will be subject to the risk that the issuer may make business, financial or management decisions with which Romark does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Romark Client's interests. In addition, Romark Clients may share control over certain investments with co-investors, which may make it more difficult for Romark to implement its investment approach or exit the investment when it otherwise would. The occurrence of any of the foregoing could have a material adverse effect on Romark Clients.

Fundamental Analysis. Certain investment decisions made by Romark may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data proves to be inaccurate or that other market participants have developed, based on such data, trading strategies similar to Romark's strategy, Romark may not be able to realize its investment goals. In addition, fundamental market information is subject to interpretation. To the extent that Romark misinterprets the meaning of certain data, Romark Clients may incur losses.

General Global Economic and Market Conditions. The success of Romark's activities will be affected by general economic and market conditions within the U.S. and globally, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws and regulations (including laws relating to taxation), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of investments. Volatility or illiquidity could impair the Romark Client portfolios' profitability or result in losses. Portfolios may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce

volatility and precipitous drops in value. In certain cases, governments have intervened on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these interventions will take place, what the interim interventions will be and/or the effect of such interventions on Romark’s strategies.

Interest Rate Risk. When interest rates decline, the value of a portfolio invested in fixed-rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a portfolio investment in fixed-rate obligations can be expected to decline. Although the value of investments will vary, Romark expects the investments in floating rate loans to minimize fluctuations in value as a result of changes in market interest rates. However, because floating rates on loans only reset periodically, changes in prevailing interest rates can still be expected to cause some fluctuation in value. The negative impact on debt instruments from rate increases could be swift and significant, which could cause a decline in value. Other economic factors (such as large downward movement in stock prices, a disparity in supply and demand of certain instruments or market conditions that reduce liquidity) can also adversely impact the markets for loans and other debt obligations. Rating downgrades of holdings or their issuers will generally reduce the value of such holdings.

Potential Interest Rate Increases. Until recently, the United States had experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. A return to sustained future interest rate volatility may cause the value of debt instruments to decrease. Certain debt instruments bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related obligors will also increase. Recent persistent inflation in the United States had led to, and may possibly continue to lead to additional interest rate increases from the U.S. Federal Reserve’s Open Market Committee. There can be no assurances that there will be no further period of rising interest rates or how high interest rates will become in response. Rapidly rising interest rates, coupled with inflation, which could again slow economic growth in the United States, pressuring corporate earnings and making it more difficult for borrowers to make payments on their debt and to refinance their debt as it matures. Any of the foregoing may have a material and adverse effect on investment performance. Any future interest rate increases may result in periods of volatility and cause the value of the debt instruments to decrease, making it more challenging for Romark to implement its investment strategy.

Potential Interest Rate Decreases. In the event of economic disruptions, the U.S. Federal Reserve Board, as well as other central banks, may seek to lower interest rates, even further below the historically low interest rate levels currently being experienced in the United States. Such interest rate decreases may result in what is effectively a “negative” interest rate. Negative interest rates would reduce interest payments on floating rate instruments held by Romark Client portfolios, and in certain circumstances (depending on the terms of loans held by Romark Client portfolios, including the existence of interest rate floors), may result in minimal or no interest payments being paid to Romark Clients, which would likely negatively impact Romark Client portfolios. In addition, negative interest rates could adversely affect client portfolios in a variety of ways, and the risks identified herein should not be considered comprehensive.

Adoption of SOFR. The London Interbank Offered Rate (“LIBOR”), for U.S. Dollars, which is commonly used as a reference rate within various financial contracts (any such rate, a “Reference Rate”), ceased publication after June 30, 2023 (the one-week and two-month tenors of U.S. Dollar LIBOR ceased to be published December 31, 2021). . The Secured Overnight Financing Rate (“SOFR”) is a secured, risk-free rate, where LIBOR was an unsecured rate reflecting counterparty risk, and certain of the recommended replacement rates proposed by the Alternative Reference Rates Committee (the “ARRC”) and under the LIBOR Act included a credit spread adjustment to address this difference. The ARRC convened by the Board of Governors of the Federal Reserve System (“FRB”) recommended certain SOFR term rates as the replacement (in commercial loan agreements) for U.S. Dollar LIBOR. The ARRC’s recommendations are consistent with replacements proposed under the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”), which became effective in March 2022, and the final rule implementing the LIBOR Act adopted by the FRB, which became effective in February 2023. The FRB also recommended certain SOFR-based replacements for derivative transactions. However, in new issue transactions (i.e., transactions not transitioning from London interbank offered rates) a market practice developed to absorb the credit spread adjustment as part of the pricing spread over the applicable benchmark rate, as opposed to indicating a credit spread adjustment as a separate item (for example, as an adjustment to a SOFR-based benchmark rate) within the applicable benchmark rate. Investors should expect that Shenkman and Shenkman Group Clients, will be a party to SOFR-based contracts, or contracts utilizing different Reference Rates.

Interest Rate Changes; Interest Rate Mismatch. Romark's collateralized bond obligations (“CBOs”) hold both floating rate and fixed rate instruments. Fixed rate instruments will have interest rates that remain constant until their maturity. Accordingly, their market value will generally fluctuate with changes in market rates of interest. The market value of such instruments will also generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the issuers of such instruments. In general, rising interest rates will negatively impact the market value of a fixed rate instrument and falling interest rates will have a positive effect on market value. A significant enough decrease in the market value of fixed rate instruments could adversely affect the value of the CBOs. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

The CBOs have liabilities that are paid at fixed rates, therefore it is possible that the interest paid on CBO assets that are floating-rate and fixed-rate instruments may not be sufficient to timely pay interest accrued on fixed-rate liabilities of the CBO. There is no requirement as to whether investments held by the CBOs bear interest at a floating rate or a fixed rate, and the interest rates available for such instruments are inherently uncertain. As a result of such potential mismatches, changes in the level of any floating rate index applicable to the instruments held by the CBO could adversely affect the ability of the CBO to make payments on notes issued by it. To the extent described herein, the Romark may cause the CBOs to reduce the effect of any such interest rate mismatch by entering into hedge agreements. However, there can be no assurance that Romark will enter into such hedge agreements or that, if entered into, such hedge agreements will significantly reduce the effect of such interest rate mismatch.

Dealer Market Making. The value of debt investments will be affected by general market conditions, such as the volatility and liquidity of the leveraged finance market, which are affected by the ability of dealers to “make a market” in leveraged loans. In recent years, the market for leveraged loans has significantly increased while dealer inventories have significantly decreased, relative to market size. This reduction in dealer inventories may be attributable to regulatory changes, such as capital requirements, and is expected to continue. As dealers’ inventories decrease, so does their ability to make a market (and, therefore, create liquidity) in the leveraged finance market. Especially during periods of rising interest rates, this could result in greater volatility and illiquidity in the leveraged finance market, which could impair profitability or result in losses.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on debt instruments will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, “premium” securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and “discount” securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount instruments when interest rates and/or spreads are high, and will be premium instruments when interest rates and/or spreads are low, such debt instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact fixed-income investments. Particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. In addition, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts.

Committee Participation. The Shenkman Group, acting on behalf of Shenkman Group Clients, has, and expects that in the future it will, from time-to-time, seek representation on formal or informal creditors’ committees, equity committees or other groups to ensure preservation or enhancement of Shenkman Group Clients’ position as a creditor or equity holder. A member of any such committee or group may owe certain obligations to all investors that the committee represents that are similarly situated. If the member of such committee or group concludes that the obligations owed to other investors as a committee or group member conflict with the duties owed to Shenkman Group Clients, general fiduciary principles may require such member to resign from that committee or group, thus denying the Shenkman Group Clients any benefits from participation on the committee or group. In addition, if the Shenkman Group or a Shenkman Group Client is represented on a committee or group, such entity may become an “insider” for purposes of federal securities laws and may, therefore, be restricted or prohibited from trading in the securities of such company, including any securities it already owns. Specifically, participation in restructuring

activities frequently provides the participant with material non-public information that may restrict the Shenkman Group's ability to trade in any of the company's securities on Shenkman Group Client's behalf. Determination of whether information is material and non-public and how long such information restricts trading is sometimes a matter of considerable uncertainty and judgment. Furthermore, participation on such committees may result in Shenkman Group Clients incurring expenses, including legal fees.

Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). If Romark causes its clients to engage in such conduct, such clients may be subject to claims from creditors of an obligor that debt held should be equitably subordinated.

Liquidity Risk. Romark invests client assets in loans, bonds or other instruments that are thinly-traded or for which no market exists. The financial markets have experienced and may, in the future, experience substantial fluctuations in prices for these investments and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, Romark's ability to acquire or dispose of investments at a price and time that we deem advantageous may be severely impaired, and may also inhibit us from taking advantage of market opportunities. Some investments may also have a limited trading market (or none) under any market conditions. Illiquid investments may trade at a discount from comparable, more liquid investments. The impact of low liquidity on the global credit markets may adversely affect our portfolio management flexibility and ultimately, our ability to achieve a client's performance objectives. Additionally, bank loans generally are subject to legal or contractual restrictions on resale, may trade infrequently, and their value may be impaired when we need to liquidate such loans. Debt instruments generally trade only in the over-the-counter market rather than an organized exchange and may be more difficult to purchase or sell at a fair price, which could have a negative impact on performance.

Non-U.S. Issuers. Romark invests assets in loans, bonds or other instruments of companies domiciled or operating outside of the United States. Investing in loans, bonds or other instruments of non-U.S. companies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. companies, including: political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, restrictions on repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on the payment of dividends, interest, capital gains or other income; the small size of the financial markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility and costs associated with currency conversion; high transaction costs; and certain government policies that may restrict our investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to United States standards and, consequently, less information may be available to investors in companies located outside the United States than is available to investors in companies located in the United States. Generally, there is also less regulation of the financial markets than there is in the United States. These risks may be even greater for investments in developing or emerging market countries.

Purchasing Initial Private or Public Issuances. Romark purchases securities or loans of companies in initial private or public issuances (or shortly thereafter). Special risks associated with these debt instruments may include a limited amount of the offering available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. These factors may contribute to substantial price volatility for these investments. The limited amount of the offering available for trading in these investments may make it more difficult for Romark to buy or sell significant amounts of the investment without an unfavorable impact on prevailing market prices. In addition, some companies undertaking an initial private or public issuance are involved in relatively new industries or lines of business that may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Currency Risk. Romark invests in investments denominated in currencies other than the U.S. dollar or the base currency of the Romark Client account. Romark may or may not seek to hedge non-U.S. currency exposure by entering into currency hedging transactions. Currency exchange rates can be extremely volatile and if a currency hedge is not entered into, an investment may lose value due to fluctuations in the rate of exchange entirely apart from the quality or performance of the investment itself. A currency hedge may be entered into in an effort to protect against fluctuations in exchange rates. It is

not possible, however, to hedge fully or perfectly against currency fluctuations affecting the value of an investment denominated in any particular currency client may still have losses as a result of the investment or hedge losing value. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time when Romark wishes to use them, or that hedging techniques employed by Romark will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of positions denominated in currencies other than the U.S. dollar will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Small and Medium Capitalization Companies. Romark may invest in the loans, bonds or other instruments of companies with small-to medium-sized market capitalizations. Although we believe these investments often provide significant potential for appreciation, they also involve higher risks in some respects than do investments in larger companies, including more volatility than large-capitalization investments and a higher risk of bankruptcy or insolvency. In addition, due to thin trading in the investments of some small-capitalization companies, an investment in those companies may be illiquid.

Leverage/Margin Borrowing. If authorized, Romark may create leverage on behalf of Romark Clients through the use of margin transactions, explicit borrowings, short sale positions, repurchase or reverse repurchase agreements, and derivative instruments. While the use of leverage can substantially improve the return on invested capital, it may also increase the adverse impact to the portfolio. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, would be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage, directly or indirectly, in a market that moves adversely to the investments of the entity employing leverage would result in a loss that would be greater than if leverage were not employed.

Additionally, in an unsettled credit environment, Romark may find it difficult or impossible to obtain leverage when desired. In such event, Romark could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Romark being forced to unwind positions quickly and at prices below what Romark deems to be fair value for the positions. In addition, if securities pledged to a broker to secure a margin account decline in value, or should the broker increase its margin maintenance requirements (i.e., reduce the percentage of a position that can be financed), then the applicable account could be subject to a “margin call,” pursuant to which Romark (on behalf of the Romark Clients) must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value.

Portfolio Turnover. Romark’s investment strategies may involve frequent trading, which may result in higher transaction costs and charges and ordinary income or short term capital gain treatment as opposed to long term capital gain treatment for U.S. federal income tax purposes.

Counterparty Risk. Romark expects to cause Romark Clients to establish relationships to obtain financing, derivative execution, derivative intermediation and prime brokerage services that permit Shenkman to trade in any variety of markets or asset classes over time. However, there can be no assurance that Romark Clients will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit Romark’s trading activities, create losses, preclude Romark from engaging in certain transactions or prevent Romark from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on a Romark’s business due to the need for such counterparties.

Romark may effect transactions in the “over-the-counter” or “OTC” derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, Romark enters into contracts directly with dealer counterparties, which may expose clients to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, Romark Clients may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if Romark had caused Romark Clients to enter into contracts with multiple counterparties. Certain OTC derivative contracts require collateral to be posted.

If there is a default by a counterparty, under most normal circumstances Romark Clients will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of a portfolio being less than if Romark had not caused such Romark Client to enter into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or

the subject of insolvency proceedings. In such case, the recovery of securities from such counterparty or the payment of claims therefor may be significantly delayed and Romark may recover substantially less than the full value of the securities entrusted to such counterparty. In addition, it is possible that legal and regulatory reforms may impact the laws that apply to insolvency proceedings and may impact whether a Romark Client may terminate its agreement with an insolvent counterparty.

Collateral that Romark causes a Romark Client to post to its counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected “segregation” of such funds. In the event that a counterparty were to become insolvent, such a Romark Client may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, Romark may use counterparties located in jurisdictions outside the United States. Such counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to a Romark Client’s assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on a Romark Client and its assets. Investors in a Romark Client should assume that the insolvency of any such counterparty would result in significant delays in recovering the Romark Client’s assets from, or the payment of claims by, such counterparty and a loss to the Fund, which could be material.

Legal and Regulatory Environment for Asset Managers. The legal and regulatory environment worldwide for asset managers is evolving. Changes in the regulation of asset management, as well as to the establishment and operation of investment vehicles, and trading and investing activities undertaken by asset managers, may have a material adverse effect on the ability of Romark to pursue its investment program and the value of investments held by, and invested in, by the Romark Clients. There has been an increase in scrutiny of the asset management industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of Romark to pursue Romark Clients’ investment programs or employ brokers and other counterparties could have a material adverse effect on the Romark Clients’ investments. In addition, the Shenkman Group may, in its sole discretion, cause a Shenkman Group Client and/or Romark Client to be subject to certain laws and regulations if it believes that an investment or business activity is in the Shenkman Group Client and/or Romark Client’s interest, even if such laws and regulations may have a detrimental effect on the Shenkman Group’s business overall or the investment activities of other Romark Clients.

Regulation in the Derivatives Industry. There are many rules related to derivatives that may negatively impact Romark Clients, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared OTC instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of Romark, and increase the amount of time that Romark spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to Romark Clients. These compliance obligations require team member training and use of technology, and there are operational risks borne by Romark in implementing procedures to comply with many of these additional obligations. These regulations may also result in Romark forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“FCM”)) as the use of other parties may be more efficient for Romark from a regulatory perspective. However, this could limit Romark’s trading activities, create losses, preclude Romark from engaging in certain transactions or prevent Romark from trading at optimal rates and terms.

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation or “EMIR”) and similar regulations globally. In the United States, the Dodd-Frank Act divides the regulatory responsibility for derivatives between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The CFTC has regulatory authority over “swaps” and the SEC has regulatory authority over “security-based swaps.” EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have

been finalized, there are others, particularly SEC rules with respect to security-based swaps that may be adopted in the future.

The following describes derivatives regulations that may have the most significant impact on Romark Clients:

Swap Agreements. Romark may engage in swap transactions. Most swap agreements calculate the obligations of the parties to the agreement on a “net” basis. Consequently, a Romark Client’s obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”). Whether Romark’s use of swap agreements is successful in furthering its investment objective will depend on our ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Romark Client will bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap counterparty.

Reporting. Most swap transactions have become subject to anonymous “real-time reporting,” meaning that information relating to transactions entered into by Romark will become visible to the market in ways that may harm Romark’s ability to enter into additional transactions at comparable prices or could enable competitors to “front-run” or replicate Romark’s strategies.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing mandates affect certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

Although such clearing requirements may be beneficial for a Romark Client in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Romark Client would be exposed under non-cleared derivatives), the Romark Client could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and as a result the Romark Client may not be able to hedge its risks or express an investment view as well as it would using customizable derivatives available in the over-the-counter markets. Romark may have to split Romark Client’s derivatives portfolios between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Another risk is that a Romark Client may be subject to more onerous and more frequent (daily or even intraday) margin calls from both Romark’s FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts, where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject Romark Clients to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect. Clearinghouses also limit the collateral that they will accept to cash, U.S. Treasury bonds and, in some cases, other highly rated sovereign and private debt instruments, which may require Romark Clients to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to such Romark Clients. In addition, clearinghouses may not allow Romark to portfolio-margin Romark Clients positions, which may increase the applicable costs.

Although standardized clearing for derivatives is intended to reduce risk (for instance, it may reduce the counterparty risk with respect to the dealers to which a Romark Client would be exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and Romark’s FCM, subjecting Romark Clients to the risk that the assets of the FCM are insufficient to satisfy all of the FCM’s payment obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a

significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities. In addition to the central clearing requirement, certain swap transactions are now required to trade on regulated electronic platforms such as swap execution facilities (“SEFs”), which will require Romark Clients to subject themselves to regulation by these venues and subject Romark Clients to the jurisdiction of the CFTC.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of the Markets in Financial Instruments Directive (“MIFID II”). Among other things, MIFID II will require transactions in derivatives to be executed on regulated trading venues..

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for Romark Clients to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of the new regulations.

Margin Requirements for Non-Cleared Swaps. New rules issued by U.S., EU and other regulators globally (the “Margin Rules”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that will be required to be posted to swap counterparties may increase by a material amount, and as a result Romark may not be able to deploy Romark Clients’ capital as effectively. Additionally, to the extent that any Romark Clients are required to segregate initial margin with a third-party custodian, additional costs will be incurred by such Romark Clients.

Competition; Availability of Investments. Certain markets in which Romark invests are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that Romark will be able to identify or successfully pursue attractive investment opportunities in such environments.

Volatility Risk. Romark’s investment program may involve the purchase and sale of relatively volatile securities, loans and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such securities, loans and/or markets can adversely affect the value of investments.

Credit Ratings. In general, the credit rating assigned by a nationally recognized rating agency to a security represents such rating agency’s opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such securities. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency’s analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer’s current credit standing. Romark Clients may incur losses if Romark makes investments based on credit ratings that subsequently change in a way not favorable to such Romark Clients investment objectives. In addition, Romark will make investment decisions irrespective of credit ratings or may disagree with published credit ratings and such determinations may cause losses if the Shenkman Group’s credit determinations are contrary to or inconsistent with those published ratings (e.g., Romark may avoid issues whose published ratings are higher than Romark believes is appropriate and/or Romark may invest in issues whose published credit ratings are lower than Romark believes is appropriate).

Litigation Risk. Romark Clients could be party to lawsuits either initiated by it, or by a company in which Romark Clients invest, by other shareholders of such company, or by U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the affected Romark Clients.

Warehouse Agreements. Romark expects to cause Romark CLOs to enter into warehouse agreements (“Warehouse Agreements”) with certain collateral managers, including Romark or affiliates of Romark. Pursuant to such Warehouse Agreements, Romark CLOs may provide financing, either directly or indirectly, for the purchase of assets, or may own certain assets (“Warehouse Securities”) in anticipation of such assets constituting the collateral of a CLO or other structured

transaction. Upon the closing of a structured transaction to which the Warehouse Agreement relates, the Romark CLOs may or may not purchase securities issued in such structured transactions. Romark CLOs may not achieve their investment objective in financing the warehouse if the Warehouse Securities are not purchased in a structured transaction or where a structured transaction fails to close. A collateral manager will purchase Warehouse Securities from the warehouse for a structured transaction only to the extent that the collateral manager determines that such purchases are consistent with the investment guidelines of the structured transaction, the restrictions contained in the collateral management agreement and applicable law. If Warehouse Securities are not purchased for a structured transaction, depending on the terms of the Warehouse Agreement, Warehouse Securities may be liquidated, which may result in a profit or a loss to a Romark CLO, or a Romark CLO may take possession of the Warehouse Securities. In either case, the Romark CLO will bear the risk that the value of such Warehouse Securities may be below their purchase price. If a structured transaction fails to close, in addition to the foregoing risks, a Romark CLO may not be paid for financing the warehouse facility.

Romark also expects to cause Romark CBOs to purchase assets in anticipation of such assets constituting the collateral of the CBO. It is anticipated that such Warehouse Securities will be purchased by the Romark CBOs with the proceeds of convertible notes issued by the Romark CBO after the CBO has priced. Romark CBOs may not achieve their investment objective if a structured transaction fails to close. If a structured transaction fails to close Warehouse Securities may be liquidated, which may result in a profit or a loss to a Romark CBO, which will bear the risk that the value of such Warehouse Securities may be below their purchase price.

Post-Brexit Risk. Romark Clients should remain aware that any future negotiations between the United Kingdom and the European Union with respect to their trading relationship may introduce new uncertainties and instabilities in the financial markets that may be significant. It is not possible to ascertain the precise impact these events may have on Romark Clients' portfolios or on Romark from an economic, financial or regulatory perspective but any such impact could have material consequences for Romark Clients' portfolios.

Systems and Operational Risks Generally. Romark relies heavily on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain investments, to monitor Romark Client portfolios and capital, and to generate risk management and other reports that are critical to oversight of its activities. In addition, Romark relies on information systems to store sensitive information. Certain of Romark's activities are dependent upon systems operated by third parties, including prime brokers, administrators, custodians, agent banks, market counterparties and other service providers, and Romark may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by Romark, prime brokers, administrators, custodians, agent banks, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in Romark's operations may cause Romark Clients to suffer, among other things, financial loss, the disruption of business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on Romark Clients.

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

The service providers of Romark and Romark Clients are subject to the same electronic information security threats as Romark. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks,

information relating to the transactions of Romark Clients and investors and personally identifiable information of Romark Clients and investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use, or disclosure of Romark's or Romark Clients' proprietary information may cause Romark Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on Romark Clients' investments.

Assumption of Catastrophe Risks. Romark and Romark Clients are subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts (e.g., Ukraine); cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks (such as continuing or new Coronavirus Risks), epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which Romark Clients invest (or has a material negative impact on the operations of Romark, its affiliates, or key service providers), the risks of loss can be substantial and could have a material adverse effect on Romark Client portfolios.

Current Market Conditions. The global economy is currently experiencing a period of exceptional volatility across a variety of asset classes, as well as broad inflationary pressures. While the full causes, and likely future course, of this situation remain conjectural, major factors appear to be interacting disruptions related to the COVID-19 pandemic and the Russian invasion of Ukraine that commenced on February 24, 2022. Both of these crises have materially disrupted various economic sectors (including, transportation, employment, energy, and agriculture) across multiple major national economies, and have caused national legislatures and agencies to adopt emergency fiscal and monetary policies with probable and significant, though incompletely resolved, effects on key reserve currencies and other important commodities, as well as interest rates and national savings rates. The recent escalation of hostilities in the lingering 2014 Russo-Ukrainian war has resulted in particular price impacts to commodities, including commodities sectors in which Russia and Ukraine are major participants, such as for agricultural (e.g., wheat) and energy (e.g., oil, and natural gas) products. Russian aggression in this conflict has prompted an intense multilateral sanctions response, resulting in severe restrictions on currency flows between Russia and many nations, as well as certain bans on trading in equities, commodities and financial products connected with Russian market participants. The sanctions imposed are complex and the prohibitions apply to various types of debt and equity transactions involving sanctioned persons, including bonds, loans, loan guarantees, extensions of credit, letters of credit, stocks, share issuances, and depository receipts, among others. The unpredictable and evolving economic effects resulting from the Russia-Ukrainian conflict and the regulations, orders, and sanctions adopted by governments in response to this conflict may have negative consequences that Romark may be unable to anticipate or hedge against.

Both the COVID-19 pandemic and the Russo-Ukrainian war implicate complex, evolving and systemic economic effects which may well influence financial benchmarks key to asset pricing, interest rates and lending availability, as well as financial and physical market liquidity, and price and availability of essential commodities, in an unpredictable fashion for an uncertain duration. Governments may take additional remedial measures, or impose regulations and orders, in response to these events that affect the value of securities or loans and Romark Clients ability to acquire or dispose of such assets in an efficient manner. Moreover, recent events have broadly reduced the ability of many corporate actors to predict future operations, leading to a more opaque public disclosure environment, which may affect Romark's ability to assess certain future investment opportunities. Altogether, current market conditions, as well as regulatory changes in response to such conditions, may have negative consequences for the valuation of Romark Client portfolio that Romark may be unable to anticipate or hedge against.

Banking Relationships. Romark and Romark Clients will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "Banking Institutions"), which may include both U.S. and non-U.S. Banking Institutions from time to time. Romark Clients may also enter into credit facilities and have other relationships with Banking Institutions as contemplated in the relevant Romark Client's offering documents. Recent events involving Banking Institutions have demonstrated the potential adverse effects that changes in interest rates, among other things, can have on Banking Institutions who may be undercapitalized and thus vulnerable to runs on deposits. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of Romark or Romark Clients to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on Romark Clients. For example, in such a scenario, Romark Clients could be forced to delay or forgo an investment or a distribution, including in connection with a withdrawal, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of

a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, Romark or Romark Clients may not recover all or a portion of such excess uninsured amounts and would instead have an unsecured claim against the Banking Institution (alongside other unsecured creditors). Romark does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to Romark or Romark Clients' banking relationships, and there can be no assurance that Romark or Romark Clients will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

C. RISKS ASSOCIATED WITH PARTICULAR TYPES OF INVESTMENTS

High Yield Instruments. Romark primarily invests in debt securities and instruments, including leveraged loans that are rated below investment-grade by one or more nationally recognized statistical rating organizations or are unrated but considered to be of comparable credit quality to obligations rated below investment-grade ("High Yield Instruments"). High Yield Instruments have greater credit and liquidity risk than more highly rated debt obligations and are generally unsecured and may be subordinate to other obligations of the issuer. The lower rating of High Yield Instruments reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the issuer to make payments of principal and interest.

Many issuers of High Yield Instruments are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. Overall declines in the below investment-grade leveraged loan and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. Further, bankruptcy and similar laws applicable to issuers of the High Yield Instruments may limit the amount of any recovery in respect of the High Yield Instruments if the issuer is insolvent, and may also adversely affect the timing of any such recovery to which Romark Clients may be entitled. High Yield Instruments have historically experienced greater default rates than has been the case for investment-grade securities.

Debt Instruments. Debt Instruments of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal in accordance with the terms of the obligations.

Corporate Debt. Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, Romark may cause Romark Clients to pay interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, may result in substantial losses.

Mezzanine Debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and such company's employees. The ability of Romark to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for more senior instruments. In the event of the insolvency of a portfolio company or similar event, the debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Zero-Coupon and Deferred Interest Bonds. Zero-coupon bonds and deferred interest bonds are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

Risks of Bond Investments. Romark Clients (in particular, the Romark CBOs) may invest in secured bonds and unsecured bonds (which may include high-yield bonds). Moody's has historically assigned a lower recovery rate for bonds than that of senior secured loans, which reflects both the historical lower recovery rate relative to par of bonds (as well as the higher market value volatility of bonds) compared to senior secured loans in distressed credit scenarios. Certain bonds can be regarded as speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions, which may result in volatile pricing with respect to such bonds. An economic recession could severely disrupt the market for most bonds and may have an adverse impact on the value and price of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such bonds to repay principal and pay interest thereon and increase the incidence of default for such bonds. A Romark CBO portfolio may consist primarily of bonds, and such portfolio composition could magnify the effects of such risks.

High-Yield Bonds. Romark Clients (in particular, the Romark CBOs) will acquire high-yield bonds, which are generally unsecured and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations. High-yield bonds are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. The lower ratings of obligations in the non-investment grade market reflect a greater possibility that adverse changes in the financial condition of an issuer of such obligations or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings or disruptions in the financial markets) or both may impair the ability of such issuer to make payments of principal and interest. Risks of high-yield bonds may include (among others): (i) limited liquidity and secondary market support, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination in right of security to the prior claims of secured banks and other senior secured lenders, (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause Romark Clients to reinvest premature redemption proceeds in lower yielding instruments, (v) the possibility that earnings of the high-yield bond issuer may be insufficient to meet its debt service and (vi) the declining creditworthiness and potential for insolvency of the issuer of such high-yield bond during periods of rising interest rates and economic downturn.

Effect of Economic Downturn on High-Yield Bond Holdings; Changes in Interest Rates. An economic downturn or increase in interest rates could severely disrupt the market for high-yield debt securities and adversely affect the value of outstanding high-yield bonds and the ability of the issuers thereof to repay principal and interest. Issuers of high-yield bonds may be highly leveraged and may not have available to them more traditional sources of financing. The risk associated with acquiring the securities of such issuers generally is greater than is the case with higher rated securities. The prices of high-yield bonds are likely to be more sensitive to adverse economic changes or individual corporate developments than higher rated securities. The risk of loss due to default by the issuer is significantly greater for the holders of high-yield bonds because such securities may be unsecured. In addition, Romark Clients may incur additional expenses to the extent it is required to seek recovery upon a default on a high-yield bond (or any other Collateral Obligation) or participate in the restructuring of such obligation. Downward movements in interest rates could also adversely affect the performance of high-yield bonds. High-yield bonds may have call or redemption features that would permit the issuer thereof to repurchase the securities. If a call were exercised by the issuer of a high-yield debt security during a period of declining interest rates, Romark will likely need to replace such called high-yield bond in a Romark Client's portfolio with lower yielding instruments.

Stressed Investments. Stressed issuers are issuers that are not yet deemed distressed or bankrupt but whose debt instruments are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

Distressed Investments. Romark may invest in, or assets may become, "distressed investments" (i.e., private claims and obligations of entities experiencing significant financial difficulties, such as loan participations and assignments, trade claims and similar instruments), which may expose a Romark Client to significant risks. Among the risks inherent from being invested in entities experiencing significant financial or business difficulties is that it is frequently difficult to obtain information as to the true condition of such issuers. Distressed investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of

such instruments are also 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. Furthermore, the market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

When investing (or being invested) in distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. In addition, funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Moreover, investments in distressed situations may, at times, be exposed to collection risk (especially if sovereign or municipal debt is involved).

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the instrument with respect to which such distribution was made.

Illiquid Investments. High Yield Instruments may be more likely to have little or no liquidity compared to other types of assets. High Yield Instruments may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and Romark may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Romark may not be able to readily dispose of such illiquid investments for its client portfolio and, in some cases, clients may be contractually prohibited from disposing of such investments for a specified period of time. As a result, Romark Clients may be required to hold such securities despite adverse price movements. Even those markets which Romark expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Non-Performing Debt. Certain debt instruments may be non-performing or in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such loans. By their nature, these investments will involve a high degree of risk. Such non-performing loans ("NPLs") may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan and/or the deferral of payments. Commercial and industrial loans in workout and/or restructuring modes and the bankruptcy or insolvency laws of non-U.S. jurisdictions are subject to additional potential liabilities, which may exceed the value of the original investment. For example, borrowers often resist foreclosure on collateral by asserting numerous claims, counterclaims and defenses against the holder of loans, including lender liability claims and defenses, in an effort to delay or prevent foreclosure. Even assuming that the collateral securing each loan provides adequate security for the loans, substantial delays could be encountered in connection with the liquidation of NPLs. In the event of a default by a borrower, these restrictions as well as the ability of the borrower to file for bankruptcy protection, among other things, may impede the ability to foreclose on or sell the collateral or to obtain net liquidation proceeds sufficient to repay all amounts due on the related loan. In addition, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Under certain circumstances, payments to a Romark Client and distributions by the applicable fund to the participating investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Troubled Origination. When financial institutions or other entities that are insolvent or in serious financial difficulty originate debt, the standards by which such instruments were originated, the recourse to the selling institution, or the standards by which such instruments are being serviced or operated may be adversely affected.

Bankruptcy Claims. Bankruptcy claims, which are amounts owed to creditors of companies that are debtors in pending bankruptcy cases, typically are illiquid and generally do not pay interest. The markets in U.S. bankruptcy claims are generally not regulated by U.S. federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, the

debt of companies in financial reorganization may be adversely affected by an erosion of the issuer's fundamental value. Accordingly, there can be no guarantee that the debtor will ever be able to satisfy the obligation underlying a bankruptcy claim.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. Although creditors generally are afforded an opportunity to appear and be heard, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of creditors. Furthermore, there are instances where creditors lose their priority or are recharacterized as equity holders if, for example, they are found to have exercised excessive control over management or engaged in misconduct that harms other creditors. In those cases where a Romark Client, by virtue of such action, is found to exercise "domination and control" of a debtor, the Romark Client may lose its priority if the debtor can demonstrate that its business was adversely impacted, or other creditors and equity holders were harmed by the creditor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and creditors; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate all or some of its assets.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that a creditor's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Reorganizations can be contentious and adversarial, and it is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by Shenkman Group Clients having a position in the relevant company.

Convertible Securities. Romark may invest in convertible securities, which are bonds, debentures, notes, preferred stock or other securities that may be converted or exchanged into the common stock of the same or a different issuer. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of an issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the market value of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value measured by the extent to which investors place value on the rights to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may also be subject to redemption at the option of the issuer at a pre-established price. If a convertible security is called for redemption, Romark will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party, which could have an adverse impact on Romark's ability to achieve its investment objective.

Equity Securities. Romark Clients may receive equity securities as part of a restructuring. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions and general economic environments. The value of equity securities of public and private, listed and unlisted companies generally varies with the performance of the issuer, movements in the equity markets, and trends in overall economic conditions.

Preferred Securities. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. Preferred securities generally will decline in price or fail to make dividend payments when due because the issuer of the security experiences a decline in its financial condition. Certain preferred securities carry provisions that allow an issuer under certain circumstances to skip distributions (in the case of

“non-cumulative” preferred securities) or defer distributions (in the case of “cumulative” preferred securities). In certain circumstances, an issuer may redeem its preferred securities prior to a specified date in the event of certain tax or legal changes or at the issuer’s call, and the investor may not be able to reinvest the proceeds at comparable rates of return. Preferred securities typically do not provide any voting rights, except in cases where dividends are in arrears for a specified number of periods.

Loan Investments. Romark’s success in the area of loan investing will depend, in part, on its ability to obtain loans on advantageous terms. In purchasing loans, Romark competes with a broad spectrum of investors and institutions. Increased competition for, or a diminution in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to investors. The following is a non-exhaustive description of the types of loans that Romark may invest in:

Leveraged Loans. “Leveraged loans” are loans made to companies with a below investment-grade rating from any nationally recognized rating agency. Such loans may be performing poorly when Romark acquires them. There is no assurance that we will correctly evaluate the value of the assets collateralizing such loans or the prospects for distribution on or repayment of such loans. A Romark Client may lose its entire investment or may be required to accept cash, property or securities with a value less than the original investment and/or may be required to accept payment over an extended period of time.

Hung Loans. The term “hung loan” commonly refers to a loan that has been made (or has been committed to be made), however the lender is not able to syndicate the loan on the originally anticipated terms. Hung loans are illiquid and lack readily ascertainable market values; there is no assurance that the price to be paid for hung loans by a Romark Client will reflect a discounted price that should allow Romark to achieve a positive return for a Romark Client on such loans or avoid losses. Since the price of the loans to be purchased is expected to continue to be significantly impacted by the specific circumstances relating to such loan (e.g., in the case of a loan relating to a leveraged buyout (“LBO”), the financial condition of the target), global and macro-economic conditions (e.g., monetary policy, changes to currency exchange rates, governmental intervention or changes to existing laws, international geo-political events, etc.) as well as other systemic factors, it is possible that loans purchased will suffer significant impairments in value as a result of events not predicted by Romark. Romark may also face difficulties in disposing of or leveraging such loans, or in doing so without incurring losses. The markets in which hung loans are purchased and sold have been volatile and are likely to continue to be volatile in the future.

Bank Loans. The term “bank loan” commonly refers to debt obligations (including, without limitation, term loans, revolving loans, debtor-in-possession financings, the funded portion of revolving credit lines and letter of credit facilities and other similar loans and investments including interim loans, bridge loans and senior subordinated loans) that are generally provided under a syndicated loan or credit facility or pursuant to any loan agreement or other similar credit facility, whether or not syndicated. Bank loans 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 Romark to directly enforce a Romark Client’s rights with respect to participations. Successful claims by third parties arising from these and other risks will be borne by the Romark Client.

As secondary market trading volumes increase, new loans are frequently adopting standardized documentation to facilitate loan trading, which may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current 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.

Second Lien Loans. Romark may invest in loans that are secured by a second lien on assets. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in

an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products. Beginning in August 2007, the market for many loan products, including second lien loans, contracted significantly which made virtually all leveraged loan products, particularly second lien loan products, less liquid or illiquid. Many participants ceased underwriting and purchasing certain second lien loan products. There can be no assurance that the market for second lien loans will not contract further.

Bridge Loans. It is a common practice for financial institutions to commit to providing bridge loans to facilitate acquisitions, including LBOs, where they serve as advisers to the purchaser. Bridge loans are frequently made because, for timing or market reasons, longer-term financing is not available at the time the funds are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not frequently drawn upon due to the availability of other sources of financing; however, due to market conditions affecting the availability of these other sources of financing (principally high-yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities. Borrower and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer term loan. If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by us, there may be an adverse effect on performance, liquidity and the ability of Romark to manage the assets in accordance with its models and projections or an adverse effect upon performance and ability to make distributions.

Debtor-in-Possession (“DIP”) Loans. Loans to companies that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code, as amended, are most often asset-based, revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor’s capital structure and because their terms have been approved by a U.S. federal bankruptcy court order, it is possible that the debtor’s reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender’s collateral might be insufficient to repay in full the DIP loan.

Fraud Associated with Loans. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of Romark to perfect or effectuate a lien on the collateral securing the loan. Romark will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments from a borrower to a lender may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Loan Assignments and Participations. Romark invests in secured and unsecured corporate loans acquired primarily through assignment. When Romark buys a loan through an assignment, the Romark Client becomes a direct lender to the issuer of such loan, is granted rights under the loan agreement, and assumes only the credit risk associated with the issuer. Loan participations, on the other hand, represent only a right to participate in the repayment of the loan by the corporate borrower. In purchasing participations, Romark Clients will have a contractual relationship only with the selling institution, and not the borrower. This means that the Romark Client assumes the credit risk of both the borrower and the selling institution. Additionally, Romark Clients generally will have no right to directly enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, a Romark Client may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution’s interest in, or the collateral with respect to, the secured loan. Consequently, Romark Clients may be subject to the credit risk of the selling institution as well as of the borrower. Moreover, Romark Clients may not directly benefit from the collateral, if any, supporting the related loan and may not be subject to any rights of set-off the borrower has against the selling institution. Certain loans (whether acquired by an assignment or loan participation) may also be governed by the laws of a jurisdiction other than a United States jurisdiction, which may present additional risks as regards the

characterization under such laws of such assignment or participation in the event of the insolvency of the selling institution or the borrower.

Investments in Unlisted and Private Loans. Romark invests in unlisted securities and private loans of U.S. and non-U.S. companies on an unlimited basis. Because these unlisted securities and private loans trade through the over-the-counter market, it may take longer to liquidate these positions than would be the case for instruments that trade on a public exchange or it may not be possible to liquidate these positions. Although these investments may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid. Further, companies whose instruments are not registered with the SEC may not be subject to public disclosure and other investor protection requirements applicable to public companies (i.e., companies whose securities are registered with the SEC for public distribution).

Derivative Instruments. Romark may invest in derivative instruments. Generally, derivatives can be characterized as financial instruments the performance of which is derived in part from the performance of an underlying asset or assets. Derivatives, which include swaps, options, futures contracts, options on futures and forward contracts, may be used for a variety of reasons, including the enhancement of return, hedging certain market risks, providing leverage, or as a substitute for purchasing or selling particular securities outright. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole. Other risks presented by derivative instruments include imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party, or “counterparty,” to a derivative transaction, and the illiquidity of derivative instruments themselves. As a consequence, the use of derivative instruments may result in greater losses than would be the case if they were not used, may require Romark to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation Romark Clients can realize on an investment, or may cause Romark to hold a security that it might otherwise sell. Additionally, amounts paid by Romark Clients as premiums and cash or other assets held in margin accounts with respect to derivative instruments are not otherwise available to the Romark Client for investment purposes.

Total Return Swaps. Total return swaps may be used by Romark to gain exposure to a reference asset (e.g., a loan or bond) without actually having to own it. Total return swaps create the potential for Romark Clients to utilize leverage as they can provide Romark Clients with large exposure to a reference asset with a minimal cash outlay. Upon entering into total return swaps, Romark Clients will be obligated to make certain periodic payments in exchange for the total return on a referenced asset, including coupons, interest and the gain or loss on such asset over the term of the swap. Romark Clients may be required to maintain collateral with the total return swap counterparty. If the Romark Client fails to fulfill its payment obligations or fails to post any required collateral under a total return swap, the total return swap counterparty may declare an event of default and, as a result, the Romark Client may be required to pay breakage fees, suffer the loss of the amounts paid to the counterparty and forego the receipts from the counterparty of further total return swap payments.

ITEM 9: DISCIPLINARY INFORMATION

There are no disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. MATERIAL RELATIONSHIPS OR ARRANGEMENTS WITH INDUSTRY PARTICIPANTS

RCLO is a relying adviser of RCA.

RCA owns a majority interest in RV, and RV, in turn, directly wholly owns RCLO. RCLO's primary business is to sponsor and provide portfolio management services to CLOs. RCA owns a controlling interest in RV, and RV is the managing member of RCLO. RCA, RCLO, and RV are under common control with Shenkman.

Through its affiliation with Shenkman, Romark also has affiliated relationships with other Shenkman affiliates.

Shenkman is the parent company of Shenkman Capital Management Ltd ("Shenkman UK"), a private limited company incorporated in England and Wales that is authorized and regulated by the U.K. Financial Conduct Authority ("FCA"). Shenkman UK provides trade execution, research and other services to Shenkman within the scope of its FCA permissions.

Shenkman is also an affiliate of Shenkman Capital Management, L.L.C., Shenkman Winchester GP LLC, Shenkman Tactical Credit GP LLC, Shenkman CLO Equity Opportunity Fund I GP LLC, SCM Investments, LLC, Shenkman Multi-Asset Credit GP LLC, Shenkman CBO Opportunity Fund I GP, and Shenkman Multi-Asset Credit Select GP LLC, eight (8) Delaware limited liability companies, each of which serves as the general partner, managing member, or an equivalent role to certain Shenkman Group Clients.

RCA has entered into the Intercompany Services Agreement with Shenkman pursuant to which Shenkman provides to RCA, for a fee, among other things, credit research and analysis, shared employees and systems, and assistance and advice on certain support services, including, but not limited to, compliance, operations, finance, information technology and development, and human resources. Such credit research and analysis and support services are then provided by RCA, for a fee, to RCLO under the Staff and Services Agreement. RCLO and RCA have entered into the Staff and Services Agreement whereby RCA provides (or arranges for the provision of) to RCLO, for a fee, certain personnel, facilities and systems that may assist RCLO with various middle and back-office services, including (without limitation): (i) administrative services under the Constituent Documents of each Romark CLO, (ii) compliance support and general risk analysis, (iii) advice relating to the appointment of valuation providers, (iv) assistance in the preparation of reports, (v) credit research, (vi) information technology infrastructure and (vii) physical facilities.

Certain RCA shareholders, officers, and/or employees are shareholders, officers and/or employees of Shenkman, while remaining as shareholders, officers, and/or employees of RCA and thus will act as dual shareholders, officers and/or employees of RCA and Shenkman, and in some instances, are shareholders, officers, and/or employees of all three of Shenkman, RCA, and RCLO.

Investors in Romark Clients should consider the risks involved in the reliance by RCA on services provided by Shenkman pursuant to the Intercompany Agreement and, with regard to Romark CLOs, by RCLO, or services provided by RCA under the Staff and Services Agreement. If either Shenkman or RCA were to cease providing such services, investors in Romark CBOs and investors in Romark CLOs (as applicable) may be harmed. In addition, there can be no assurances that either RCA or RCLO would be able to find a substitute service provider with the same experience or on the same terms.

B. MATERIAL CONFLICTS OF INTEREST RELATING TO OTHER INVESTMENT ADVISERS

As described herein, the Shenkman Group and its partners, officers, team members, affiliates, and agents are subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, the Shenkman Group.

As an investment adviser registered with the SEC, Romark intends to act in good faith in a manner consistent with its duties under applicable law. However, Romark is subject to various conflicts of interest including those arising from its relationships with other members of the Shenkman Group, which currently and in the future will serve as investment adviser to investment funds and separately managed accounts or similar vehicles. The Shenkman Group actively engages, and in the future will engage, in a broad spectrum of activities, including direct investment activities and investment advisory activities, and have extensive investment activities that are independent from, and may from time to time conflict or compete with, Romark and Romark Client's investment activities. These circumstances could give rise to numerous situations where interests conflict,

including, as further noted herein, the investment by different Shenkman Group Clients in the same investment or in different levels of the capital structure of the same issuer, or other dealings involving different Shenkman Group Clients. In addition to what is already described herein, the particular circumstances described below further illustrate some of the conflicts of interest that may arise. However, there can be no assurance that these or other conflicts of interest with the potential for adverse effects on Shenkman Group Clients will not arise.

Conflicts of interest also arise as to the allocation of investment opportunities among Shenkman Group Clients. The Shenkman Group maintains policies and procedures reasonably designed to ensure that all Shenkman Group Clients are treated fairly over time. See “Item 6: Performance-Based Fees and Side-By-Side Management and “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for additional information.

C. BROKER-DEALER REGISTRATION STATUS

Neither Romark, its affiliates, nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

D. FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR COMMODITY TRADING ADVISOR REGISTRATION STATUS

Neither Romark, its affiliates, nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated of the person foregoing entities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. CODE OF ETHICS AND PERSONAL TRADING

As part of its overall compliance program, the Shenkman Group has adopted a Code of Ethics (the “Code of Ethics”) that imposes standards of business conduct, including standards and procedures for the detection and prevention of inappropriate personal securities transactions by our team members, and addresses other situations involving conflicts of interest. One of the intentions of the Code of Ethics is to ensure that the personal securities transactions of persons subject to it are conducted in accordance with the following principles: (i) the duty at all times to place the interests of Shenkman Group Clients first; (ii) the requirement that all personal securities transactions be conducted consistent with the Code of Ethics and in such a manner as to identify and mitigate any conflict of interest and avoid any abuse of an individual’s responsibility and position of trust; (iii) the fundamental standard that our team members not take inappropriate advantage of their positions; and (iv) the duty at all times to comply with applicable state and federal securities laws. The Shenkman Group’s Code of Ethics requires team members to obtain pre-approval for personal securities transactions, except with respect to transactions involving municipal bonds, sovereign bonds, treasury bonds, digital coins or tokens (unless such coins or tokens are securitized or are part of an Initial Coin Offering), mutual funds for which the Shenkman Group does not serve as investment adviser or sub-adviser, exchange traded notes, closed-end funds, exchange traded funds, and unit investment trusts. The Shenkman Group permits its team members to engage in personal securities trading, but does not allow them to purchase high yield or “cross over” (i.e., rated investment grade by one rating agency and below investment grade by another rating agency) bonds or loans or to purchase any securities of an issuer that is on a Shenkman Group list of approved issuers (the “Approved List”) or an issuer whose securities or loans are otherwise owned by one or more Shenkman Group Clients. If granted, an approval is generally valid until the close of business on the next business day after such approval is granted. The Code of Ethics also includes a prohibition on insider trading and requires reporting of covered securities accounts, transactions and/or holdings to the Shenkman Group’s Legal and Compliance Department (subject to certain limited exceptions).

Additionally, the Code of Ethics sets out general standards of conduct and ethics, including requirements regarding gifts, entertainment, and political contribution pre-clearance and disclosures to which all of our team members must adhere. The Shenkman Group’s Legal and Compliance Department conducts annual compliance “teach-ins” for all team members. The Code of Ethics is reviewed at these teach-ins, and team members are reminded of their duty to treat all of our clients fairly at all times. All Shenkman Group team members are also required to read the Code of Ethics each year and sign an Acknowledgement of Compliance.

In certain circumstances, the Chief Compliance Officer or his designee may grant exceptions to the Shenkman Group’s compliance policies and procedures (including the Code of Ethics) when it is believed, based on the particular facts and circumstances, that doing so would not harm a Shenkman Group Client or otherwise interfere with the Shenkman Group’s fiduciary duties.

Existing and prospective investors in Romark Clients may obtain a copy of the Code of Ethics by sending a written request via e-mail to legal@romarkadvisors.com or by calling (212) 867-9090.

B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

As discussed above in “Item 5: Fees and Compensation” and “Item 6: Performance-Based Fees and Side-by-Side Management” and “Item 10: Other Financial Industry Activities and Affiliations,” Shenkman (or a related person) acts as an investment adviser, general partner, managing member, or equivalent role to Shenkman Group Clients, including Romark Clients, for which we receive asset-based management fees and/or performance-based compensation. The Shenkman Group, and/or its affiliates, team members, officers, shareholders, and directors (including individuals involved in making investment decisions on behalf of Romark Clients) may also invest in one or more Shenkman Group Clients, including Romark Clients, and such investments may represent a significant portion of each individual’s net worth. Additionally, such investments are concentrated in Romark Clients from which the Romark and/or certain team members (through ownership interests in affiliates of Romark) receive performance-based compensation. These investments create a conflict of interest because Romark has an incentive to recommend transactions to such Romark Clients based on our own financial interests over others. See “Item 6: Performance-Based Fees and Side-By-Side Management” for additional information.

C. INVESTING IN THE SAME SECURITIES AS CLIENTS

The Shenkman Group, subject to the requirements of its Code of Ethics, permits team members to trade securities for their own accounts which sometimes results in such accounts holding the same investments held in, or holding other assets of an issuer held in, Shenkman Group Client accounts. This presents a conflict where, because of the information we have, the Shenkman Group and its team members are in a position to trade in a manner that could adversely affect Shenkman Group Clients (e.g., place affiliated or team member trades in securities of an issuer before or after Shenkman Group Client trades are executed in instruments of the same issuer in order to benefit from any price movements due to the Shenkman Group Client trades). In addition to affecting our objectivity, Shenkman Group Clients may also be harmed to the extent that personal trading adversely affects the price at which the Shenkman Group Client trades are executed. In an effort to mitigate this conflict, as set forth above, the Shenkman Group generally prohibits team members from purchasing high yield or “cross over” (i.e., rated investment grade by one rating agency and below investment grade by another rating agency) bonds or loans or to invest in any securities of an issuer that is on the Approved List or an issuer whose securities or loans are otherwise owned by a Shenkman Group Client. The Shenkman Group requires team members to pre-clear their personal securities transactions with the Legal and Compliance Department. In addition, the Code of Ethics prohibits trading in any securities on the Shenkman Group’s “Restricted List” (i.e., a list of issuers concerning which we may be in possession of material non-public information). The Code of Ethics also requires reporting of personal securities accounts, transactions and/or holdings to the Legal and Compliance Department.

D. NON-EXCLUSIVE SERVICES

It should be noted that the Shenkman Group’s services to each Shenkman Group Client are not exclusive. Our team members and affiliates may effect transactions for their own accounts and for the accounts of other Shenkman Group Clients that differ materially from the advice given, or the time or nature of action taken, with respect to a particular Shenkman Group Client account. Also, it may not always be possible for the same investment positions to be taken or liquidated at the same time or at the same price.

The Shenkman Group also acts as investment adviser to Shenkman Group Clients that have issued debt instruments, and the Shenkman Group may enter into similar investment advisory relationships in the future. Such companies may be investors in investment vehicles of the Shenkman Group and the Shenkman Group may purchase, on behalf of a Shenkman Group Client, instruments issued by such companies. However, the Shenkman Group is not obligated to purchase or sell or recommend for purchase or sale for any Shenkman Group Client any security or other asset that we and our team members and affiliates may purchase or sell for their own accounts or for the account of any Shenkman Group Client.

The Shenkman Group engages in transactions and investment strategies for certain Shenkman Group Clients that differ from the transactions and strategies executed on behalf of other Shenkman Group Clients. The Shenkman Group invests in all segments of the capital structure of high yield issuers on behalf of Shenkman Group Clients and is not precluded from investing in instruments of a company held in another Shenkman Group Client, even if such positions may be adverse. Shenkman Group Clients have held, and it is expected that in the future they will at times hold, different investments of the same issuer that have different priorities. These investments create conflicts of interest, particularly because the Shenkman Group can take certain actions for some Shenkman Group Clients that can have an adverse effect on other Shenkman Group Clients (for example, in connection with restructuring and reorganization situations). For example, certain Shenkman Group Clients may hold senior or subordinated rights relative to other Shenkman Group Clients, or vice versa. This presents a conflict of interest because any action that the Shenkman Group were to take on behalf of the issuer’s senior instrument, for instance, could have an adverse effect on the issuer’s junior instrument, and vice versa, particularly in distressed or default situations. To the extent the Shenkman Group or any of its team members were to serve on a formal or informal creditor or similar committee on behalf of a client, such conflicts of interest may be exacerbated. The Shenkman Group has adopted procedures and controls reasonably designed to identify and address such conflicts.

Additionally, the Shenkman Group and its affiliates may make investments for certain Shenkman Group Clients that they conclude are inappropriate for other Shenkman Group Clients. For instance, one Shenkman Group Client may take short positions in the equity securities of certain issuers, while at the same time other securities and/or leveraged loans of that issuer are acquired or held long by other Shenkman Group Clients. Conversely, the Shenkman Group may take long positions in the securities of certain issuers for a Shenkman Group Client, while at the same time other securities and/or leveraged loans of that issuer are held short in or have been sold out of another Shenkman Group Client.

Shenkman Group Clients, as well as investors in Romark Clients, should be aware that although the Shenkman Group strives to identify and mitigate all conflicts of interest, and seeks to treat its clients in a fair and reasonable manner consistent with its fiduciary duties, there may be times when conflicts of interest are not resolved in a manner favorable to a specific Shenkman Group Client. Accordingly, the Shenkman Group conducts an annual review of its business practices to identify those areas that might pose a conflict of interest between the Shenkman Group and its clients. The Legal and Compliance Department endeavors to ensure that all relevant disclosures concerning conflicts of interest are included in this Brochure. Accordingly, the Legal and Compliance Department periodically reviews its existing policies and procedures designed to address such conflicts and will, in consultation with our Conflicts Committee, develop and implement additional policies and procedures, as deemed appropriate.

E. RECEIPT OF MATERIAL NON-PUBLIC INFORMATION

In certain circumstances, the Shenkman Group may also possess certain confidential or material, non-public information that, if disclosed, might be material to a decision to buy, sell or hold a security. In these instances, we add the issuer's name to the Restricted List and we are prohibited from communicating such information or using it for a Shenkman Group Client's benefit in violation of applicable law. The Shenkman Group and its team members are generally prohibited from transacting in instruments of issuers on the Restricted List, whether for a Shenkman Group Client or their own accounts. In these circumstances, the Shenkman Group has no responsibility or liability to Shenkman Group Clients for not disclosing such information to Shenkman Group Clients (or the fact that we possess such information), or not using such information for the Shenkman Group Clients' benefit, as a result of following our policies and procedures or applicable law.

Further, if the Shenkman Group becomes a member of a creditors' committee or receives material, non-public information due to its holdings in a particular issuer, it will likely be subject to certain restrictions with respect to trading on behalf of other Shenkman Group Clients who hold other instruments of the same issuer. Shenkman Group Clients, as well as investors in Romark Clients, should be aware that although the Shenkman Group strives to identify and mitigate all conflicts of interest, and seeks to treat its clients in a fair and reasonable manner consistent with its fiduciary duties, there may be times when conflicts of interest are not resolved in a manner favorable to a specific Shenkman Group Client. The Shenkman Group has adopted policies and procedures intended to identify and mitigate conflicts of interest.

F. CONTEMPORANEOUS TRADING

The Shenkman Group engages in transactions and investment strategies for certain Shenkman Group Clients that differ from the transactions and strategies executed on behalf of other Shenkman Group Clients. Accordingly, the Shenkman Group can invest in certain securities or loan instruments of a particular issuer for one Shenkman Group Client, but invest in a different part of the same issuer's capital structure (or in different classes of debt) for another Shenkman Group Client. To this end, the Shenkman Group has and may continue to purchase on behalf of Shenkman Group Clients different classes of debt of the same issuer and debt and equity of the same issuer for different Shenkman Group Clients. These investments create conflicts of interest, particularly because the Shenkman Group can take certain actions for some Shenkman Group Clients that can have an adverse effect on other Shenkman Group Clients (for example, in connection with restructuring and reorganization situations). In such cases, the Shenkman Group will seek to act in a manner it reasonably believes to be fair or in a manner that does not have a materially adverse impact on a Shenkman Group Client under the circumstances. This includes, but is not limited to, the review of transactions by the Compliance Department. Please also see "Item 6: Performance-Based Fees and Side-by-Side Management" above.

G. DIFFERING TERMS OF INVESTMENT PRODUCTS

Shenkman Group Clients, as well as investors in Romark Clients, should be aware that the Shenkman Group offers many of its investment strategies through a variety of investment products, including, without limitation, separately managed accounts, private funds (single investor or comingled), CLOs, CBOs, mutual funds and UCITS. Given the different structures of these products, certain Shenkman Group Clients are subject to terms and conditions that are materially different or more advantageous than available under different products. For example, mutual funds offer investors the ability to redeem from the fund daily, while private funds offer less frequent liquidity. Similarly a Shenkman Group Client with a separately managed account may have more transparency regarding the positions held in its account than would be available to an investor in a private fund, including investors in a Romark Client, and, further, separately managed account clients have the ability to terminate their

investment management agreement with little or no notice (subject to the terms of the investment advisory agreement), at which point the client could take control of the assets and may themselves liquidate the portfolio.

As a result of these differing liquidity and other terms, the Shenkman Group may acquire and/or dispose of investments for a Shenkman Group Client either prior to or subsequent to the acquisition and/or disposition of the same or similar securities held by another Shenkman Group Client. In certain circumstances, purchases or sales of securities by one Shenkman Group Client could adversely affect the value of the same securities held in another Shenkman Group Client's portfolios. In addition, the Shenkman Group has caused, and expects to in the future to cause, certain Shenkman Group Clients to invest in opportunities with different levels of concentration or on different terms than that to which other Shenkman Group Clients invest in the same securities. These differences in terms and concentration could lead to substantially different investment outcomes among Shenkman Group Clients investing in the same securities. The Shenkman Group seeks to tailor its investment advisor services to meet Shenkman Group Client's investment objective, constraints, and investment guidelines, and the Shenkman Group's judgments with respect to a particular Shenkman Group Client will at times differ from its judgments for other clients, even when two Shenkman Group Clients pursue similar investment strategies.

H. ALLOCATION OF TIME AND RESOURCES

The nature of managing accounts for multiple clients creates a conflict of interest with regard to time available to serve clients. Additionally, certain RCA shareholders, officers, and/or team members are shareholders, officers, and/or team members of Shenkman, while remaining as shareholders, officers, and/or team members of RCA and thus will act as dual shareholders, officers and/or team members of RCA and Shenkman, and in some instances, are officers, and/or team members of all three of Shenkman, RCA, and RCLO. As such, there is a conflict of interest with regard to time available of such Romark shareholders, officers, and/or team members to serve Romark Clients.

Shenkman Group Clients, as well as investors in Romark Clients, should be aware that the Shenkman Group, its affiliates, and their officers and/or team members will devote as much of their time to the activities of each Shenkman Group Client as they deem necessary and appropriate but that a conflict of interest exists as different Shenkman Group Clients may often be in competition for the time and effort of the Shenkman Group, its affiliates, and their officers and/or team members.

I. INVESTMENTS BY SHENKMAN CLIENTS IN SHENKMAN GROUP CLIENTS

In advising certain Shenkman Clients, the Shenkman Group has provided, and intends to continue to provide, investment and asset allocation recommendations to such Shenkman Clients (including where the Shenkman Group exercises investment discretion) including (i) advising such Shenkman Clients to make investments, or add to existing investments, in Shenkman Group Clients, (ii) recommending re-allocation of investments from funds advised by other managers to Shenkman Group Clients, or (iii) making allocation recommendations that Shenkman Clients stay invested in Shenkman Group Clients while disposing of other investments. Recommendations of this nature create conflicts of interest between the Shenkman Group and such Shenkman Clients. The Shenkman Group waives management and performance fees as necessary to avoid having a Shenkman Client pay two sets of management or performance fees to Shenkman in connection with one investment. However, performance fees can vary among the Shenkman Group Clients, and as a result in circumstances where Shenkman Clients bear performance fees charged by Shenkman Group Clients, the Shenkman Group has an incentive to recommend investments in Shenkman Group Clients that charge higher performance fees.

The Shenkman Group has an incentive to recommend investments in Shenkman Group Clients or, when identifying assets to liquidate in a Shenkman Client's portfolio, recommending liquidation of other assets instead of Shenkman Group Clients, because it is advantageous, for marketing and other purposes, to have substantial assets under management in a Shenkman Group Client, and the Shenkman Group is generally interested in the Shenkman Group Clients having sufficient levels of capital available to make certain investments. Therefore, the Shenkman Group has a conflict of interest when making recommendations related to the Shenkman Group Clients. The Shenkman Group only makes recommendations to Shenkman Clients relating to Shenkman Group Clients when the Shenkman Group believes that such investments are suitable for, and in the best interests of, such Shenkman Clients.

ITEM 12: BROKERAGE PRACTICES

A. FACTORS FOR SELECTING BROKER-DEALERS FOR CLIENT TRANSACTIONS

1. Broker Selection; Research and Soft Dollars

The Shenkman Group seeks to select brokers-dealers for the execution of brokerage transactions in accordance with its duty to obtain “best execution” and in accordance with its policies and procedures. The Shenkman Group maintains an “Approved Broker List”, and generally only trades with brokers on the list or as otherwise allowed in the policy. The Shenkman Group’s policies and procedures regarding brokerage allocation and execution are reasonably designed to achieve best execution under the circumstances. In seeking best execution, the Shenkman Group typically considers the full range of each broker’s services, including, but not limited to, the efficiency of execution, ability to handle large and/or complex orders, competitive rates, price, capital commitment to a particular issue, research capabilities, generation of investment ideas, market knowledge, settlement capabilities, confidentiality, financial responsibility and responsiveness. Nonetheless, acquiring certain issues of high yield securities and leveraged loans may require that the Shenkman Group use the particular broker (sometimes only one) that is willing to commit capital to a given issue. In selecting brokers to execute transactions and determining the reasonableness of their compensation, the Shenkman Group is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost or price.

The Shenkman Group’s Best Execution Committee is responsible for reviewing the quality and value of the services provided by broker-dealers used and for monitoring any commission levels paid to these broker-dealers. The Best Execution Committee will periodically monitor trading to ensure that best execution has been achieved in accordance with its policies and procedures.

The Shenkman Group does not have any formal “soft dollar” arrangements nor does it anticipate entering into any formal “soft dollar” arrangements. Nevertheless, to the extent the Shenkman Group does receive any “soft dollar” benefits (e.g., research or execution services), it will only do so to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Notwithstanding the foregoing, the Shenkman Group may receive, without cost and unrelated to the execution of securities transactions, a broad range of research services from brokers, including information on the economy, industries, securities and individual companies, statistical information, market data, complimentary attendance at industry conference and events, access to company management, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information that may affect the economy and/or security prices. Subject to our best execution policy described above, the Shenkman Group may from time-to-time allocate securities or loan transactions to these brokerage firms. The research, information and services furnished by these brokers are useful in varying degrees and may be used in servicing Shenkman Group Clients. Some of these services may be used by the Shenkman Group in connection with accounts that paid no commissions to the broker providing such services. No formula has been established for the allocation of business to such brokers. The Shenkman Group may also pay brokers and their affiliates for certain specialized data and services, such as benchmark information, that are also will unrelated to the execution of securities transactions.

The Shenkman Group is making a concerted effort to allocate certain trades to brokers that are Minority and Women Owned Business Enterprises (“MWBE”). Specifically, the Shenkman Group is allocating certain trades made via MarketAxess to MWBE Brokers as part of MarketAxess’s Diversity Dealer Initiative. Such allocations, while executed at no additional cost to Shenkman Group Clients, will continue to be subject to the Shenkman Group’s obligation to achieve best execution.

As previously noted, Shenkman UK is authorized and regulated by the FCA. Shenkman UK provides trade execution, research and other services to the Shenkman Group within the scope of its FCA permissions. Pursuant to the Markets in Financial Instruments Directive II (MiFID II), research provided by broker-dealers is generally required to be charged separately from other execution services. As a result, Shenkman UK may no longer accept the provision of research for free (unless such research is deemed to be an acceptable minor non-monetary benefit) or as part of bundled services. Shenkman UK has decided to bear the expense of research it purchases from its own resources.

2. Brokerage for Client Referrals

The Shenkman Group has formal or informal arrangements in place with brokers and/or affiliates of brokers who market each of their products or otherwise make each of their products available to their respective clients. In certain circumstances, either of the Shenkman Group or our clients compensate these brokers or their affiliates in connection with these arrangements (including, for example, a placement agent fee paid by a Shenkman Group Client). The Shenkman Group executes securities transactions through brokers (or their affiliates) who market Shenkman Group Client products or otherwise make such products available to clients. This practice creates a conflict of interest because the Shenkman Group has an incentive to select or recommend a broker based on our interest in receiving client referrals. The allocation of transactions to brokers who (or that have affiliates who) market Shenkman Group products or otherwise make our products available to their clients is subject at all times to our obligation to obtain best execution under the circumstances.

3. Directed Brokerage

From time-to-time, certain Shenkman Group Clients have instructed the Shenkman Group to participate in “Directed Brokerage” arrangements for their accounts. Directed Brokerage refers to instances in which a Client retains the discretion to choose brokers and instructs the Shenkman Group to direct portfolio transactions (or a position thereof) to a particular broker-dealer or set of broker-dealers in writing or via the respective investment management agreement or other contractual agreement in place between the Shenkman Group and a Shenkman Group Client. A Shenkman Group Client, as well as an investor in a Romark Client, should be aware that direction by a Shenkman Group Client to use a particular broker (or a prohibition from trading with certain brokers) to effect transactions could result in certain costs or disadvantages to such Shenkman Group Clients. Such costs may include higher brokerage commissions (because it may not be possible to aggregate orders to reduce transaction costs) and less favorable execution of transactions. By permitting Shenkman Group Clients to direct the Shenkman Group to execute their trades through a specified broker (or a prohibition from trading with certain brokers), the Shenkman Group may not make any attempt to negotiate prices or commissions on behalf of Shenkman Group Clients and, as a result, in such transactions Shenkman Group Clients may pay materially disparate spreads or commissions than they otherwise would.

B. CROSS TRADES

The Shenkman Group also executes cross trades (i.e., the simultaneous purchase and sale of an investment from one Shenkman Group Client to another Shenkman Group Client. Cross trades may be executed for different Shenkman Group Clients on the same or a different day on which we trade in the same investment for other Shenkman Group Clients – to the extent that this occurs it could give rise to a conflict of interest because Shenkman Group Clients acquiring securities through a cross trade would pay lower execution costs than Shenkman Group Clients purchasing these instruments through a broker-dealer and Shenkman Group Clients disposing securities through a cross trade would receive higher execution proceeds than Shenkman Group Clients disposing of these instruments through a broker-dealer.

The Shenkman Group usually executes cross trades directly among eligible Shenkman Group Clients but in certain cases may use a broker to effect the trade. The Shenkman Group believes cross trades benefit Shenkman Group Clients on both sides of the trade by minimizing the spread, mark-up or commissions that would be paid to a broker. In these instances, the purchase price generally reflects the mean of the bid and ask prices as quoted to us by a third-party pricing service or third party brokers. If a broker is needed for the trade, the security is sold to a broker selected by the Shenkman Group and then sold by that broker to the other Shenkman Group Client(s) at the mean of the bid and ask prices plus a fee not greater than one quarter of a point (i.e., \$0.25 per \$100 principal amount). These “broker” cross trades may still benefit Shenkman Group Clients on both sides of the trade because the “selling Shenkman Group Client” sells the security for more than the bid price (i.e., the price it would have received in the open market) and the “buying Shenkman Group Client” purchases the security at less than the ask price (i.e., the price it would have paid in the open market). In all instances, the Shenkman Group acts in a manner consistent with its fiduciary duties. The Shenkman Group does not receive any fees in connection with cross trades. Shenkman Group Clients, as well as investors in a Romark Client, should be aware that if a UCITS fund participates in the cross trade, it must be executed in accordance with that fund’s policy and procedures. In addition, cross trades generally will not be conducted by or with a mutual fund, an ERISA account (including a Shenkman Group Client that has substantial benefit plan investors and is subject to ERISA), accounts of public retirement plans, or any accounts requesting to be treated as an ERISA account; provided, however, that the Legal and Compliance Department may permit any such cross trade between Shenkman Group Clients if it is executed in compliance with all applicable laws and regulations (e.g., Advisers Act, Investment Company Act, ERISA) and is in the best interest of all participating Shenkman Group Clients or is otherwise approved by the applicable Shenkman Group Client.

C. TRADE ERRORS

The Shenkman Group has policies and procedures that address the identification and correction of trade errors that may occur in connection with the Shenkman Group's management of Shenkman Group Clients. The Shenkman Group seeks to resolve such a trade error in a manner it considers appropriate and consistent with its fiduciary duties. The Legal and Compliance Department reviews each trade error and will approve how it will be corrected. If a trade error results in a gain to a Shenkman Group Client account, it will remain in the applicable Shenkman Group Client account. Unless otherwise provided in the relevant investment management agreement, limited partnership agreement, offering memorandum, or other constituent document, the Shenkman Group is responsible for its own trade errors and will reimburse an affected Shenkman Group Client for losses suffered due to such trade errors. The Shenkman Group is not, however, responsible for losses associated with errors of third parties, including third party brokers and custodians, unless otherwise expressly agreed by the Shenkman Group. In determining and calculating whether a trade error results in a loss, the Shenkman Group generally looks to the transaction cost plus any interest income received or accrued, unless the Shenkman Group determines that applicable law or the advisory contract requires a different calculation methodology. Notwithstanding the foregoing, in connection with a trade error involving a Shenkman Group Client that is subject to ERISA, the Shenkman Group will not take into consideration the value of any interest income when calculating whether the trade error results in a loss.

The Shenkman Group has a conflict of interest when determining how to resolve its own trade errors because the Shenkman Group would be required to reimburse a Shenkman Group Client for the resulting losses.

ITEM 13: REVIEW OF ACCOUNTS

A. REGULAR REVIEW

Portfolio Managers communicate throughout the day with members of the Shenkman Group's trading and research team to review the status of Shenkman Group Client investments and to provide instructions and guidance concerning pending transactions for applicable Shenkman Group Clients. Our Portfolio Managers monitor all client accounts on a daily basis and conduct additional periodic reviews for client accounts, under the supervision of senior management, including the firm's Risk Committee. Additionally, the Legal and Compliance Department reviews Shenkman Group Client portfolios for compliance with each Shenkman Group Client's investment guidelines and restrictions.

B. AD HOC REVIEW

Changes in our outlook for the economy, the market, and other factors may trigger a review of a Romark Client's account in addition to the regular account reviews discussed above.

C. CLIENT REPORTING

Investors in Romark Clients typically receive reports from the Trustee for the Romark Client as to the Romark Client's compliance with the underlying indenture requirements and the general performance of the vehicle. Although all investors generally receive similar information, to the extent an investor receives information that is not otherwise provided in a Romark Client's regular reports to investors, such information may provide such investor with greater insight into the Client's activities. This may enhance such investor's ability to make investment decisions with respect to the Romark Client.

We also offer regular conference calls, in-person meetings, and monthly account update letters to our clients and investors and consider ad hoc and customized reporting requests. Romark has entered, and in the future may enter into, arrangements with certain investors in Romark Clients that grant such investors special or more favorable rights that are not available to all investors. Such special or more favorable rights may include, but are not limited to: (i) additional reporting and/or greater information; (ii) opportunities to meet or speak with Romark's investment team; and (iii) key-person and similar notifications rights.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Shenkman Group does not receive economic benefits from non-clients in exchange for providing investment advice and other advisory services.

ITEM 15: CUSTODY

Romark and its affiliates do not hold Romark Clients' funds or securities or have the authority to obtain possession of them for purposes other than authorized trading.

ITEM 16: INVESTMENT DISCRETION

As stated in Item 4 above, Romark manages all Romark Client assets on a discretionary basis pursuant to the authority granted in a collateral management agreement entered into with the Romark Client and the indenture governing a Romark Client.

ITEM 17: VOTING CLIENT SECURITIES

A. ROMARK'S PROXY VOTING AUTHORITY

The collateral management agreements entered into between Romark and Romark Clients and the indentures governing the Romark Clients typically grant us the authority to vote proxies on behalf of our Romark Clients.

The Shenkman Group maintains a Proxy Voting Policy and Procedures in accordance with Rule 206(4)-6 of the Advisers Act. The Shenkman Group seeks to vote proxies in their best interests and in accordance with these Proxy Voting Policy and Procedures.

In the case of bonds, loans or other instruments, we also take action pertaining to amendment and consent requests (e.g., a request to amend a bond's indenture) as well as bankruptcy and reorganization proposals, as applicable (e.g., a proposal to restructure a debt security where the underlying issuer is in bankruptcy). The Shenkman Group will take action that it deems appropriate and in the best interests of Shenkman Group Clients with respect to such corporate actions. From time to time, the Shenkman Group may also submit proof of claims in connection with class action lawsuits.

From time to time, conflicts of interest arise due to the size and nature of the Shenkman Group's operations and the fact that Shenkman Group Clients invest in various securities or issues of the same company with different priorities and interests. If a material conflict of interest arises, the Shenkman Group's Conflicts Committee will determine whether voting in accordance with its policies and procedures is in the best interests of the Shenkman Group Clients involved. Under no circumstances will the Shenkman Group place its own interests ahead of the interests of the Shenkman Group Clients in voting proxies, and the Shenkman Group seeks to vote proxies at all times in accordance with its fiduciary duties.

If the Shenkman Group determines that the proxy voting policies do not adequately address a material conflict of interest related to a proxy, the Shenkman Group will provide the affected Shenkman Group Client with copies of all proxy solicitation materials received by the Shenkman Group with respect to that proxy, notify the Shenkman Group Client of the actual or potential conflict of interest, and of the Shenkman Group's intended response to the proxy request (which response will be in accordance with the policies set forth in this statement), and request that the Shenkman Group Client consent to the Shenkman Group's intended response. If the Shenkman Group Client consents to the Shenkman Group's intended response or fails to respond to the notice within a reasonable period of time specified in the notice (provided that the Shenkman Group has exercised reasonable efforts to obtain the client's response), the Shenkman Group will vote the proxy as described in the notice. If the Shenkman Group Client objects to the Shenkman Group's intended response, the Shenkman Group will vote the proxy as directed by the Shenkman Group Client.

Each client may obtain a copy of the Proxy Voting Policy and Procedures and a record of how it voted its proxies by contacting us via email at legal@romarkadvisors.com or by calling (212) 867-9090.

ITEM 18: FINANCIAL INFORMATION

Romark has never filed for bankruptcy and we have no financial commitments that are likely to impair our ability to meet our contractual commitments to the Romark Clients.