

Item 1- Cover Page

PART 2A OF FORM ADV: FIRM BROCHURE

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This Brochure provides information about the qualifications and business practices of Apogem Capital LLC (“Apogem”). If you have any questions about the contents of this Brochure, please contact Kevin Power, Chief Compliance Officer (“CCO”), at (212) 601-3645 or by email at Kevin.Power@apogemcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority and references in this Brochure to Apogem as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Apogem is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There have been no material changes since the date of the Brochure's last annual amendment March 31, 2023.

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ITEM 4 – ADVISORY BUSINESS

General Description of the Advisory Firm

Apogem Capital LLC (“Apogem” or “we”), a Delaware limited liability company, is an investment advisory firm founded in April 2020. Apogem is a wholly owned subsidiary of New York Life Insurance Company (“New York Life”) through New York Life Investment Management Holdings, LLC, a wholly owned subsidiary of New York Life. New York Life is a mutual life-insurance company and does not have shareholders.

Description of Advisory Services

Apogem provides investment management services to commingled and single investor private funds (each a “Fund”) and separately managed accounts (“Managed Accounts”, and together with Funds, “Clients”). Apogem generally offers the following strategies:

- Private equity, including limited partnership interests in private investment funds; equity co-investments in portfolio companies; real assets; and general partner stakes in management companies of private equity sponsors; and
- Private credit, including middle market senior loans and mezzanine debt, as well as equity investments in borrowers of Apogem’s private credit originated loans.

The investment management services provided by Apogem are provided on either a discretionary or non-discretionary basis and are typically provided to Clients through single or multi-investor funds, direct investments, collateralized loan obligation vehicles, and/or Managed Accounts. Apogem serves as investment manager to Funds, and in many cases, Apogem or its affiliates serve as general partner to Funds organized in various jurisdictions and corporate structures, including as Delaware limited partnerships, Cayman Islands exempted limited partnerships, Jersey private companies incorporated with limited liability, and Canadian (Ontario) limited partnerships.

We either enter into an investment management agreement (or collateral management agreement) with each Client or the terms of our engagement are set forth in the operating agreements of our Funds. These investment management agreements, operating agreements, and other governing documents establish each Client’s investment strategy and the other terms, limitations and conditions of our engagement.

Except as otherwise set forth in a multi-investor Fund’s offering documentation, side letter agreement, or investment management agreement, Apogem neither tailors its advisory services to the individual needs of multi-investor Fund investors nor accepts investor-imposed investment restrictions. In cases where Fund investors negotiate side letter agreements with the general partner of the Fund in which they are investing, such side letter agreements will likely impose significant additional limitations on our authority with respect to the Fund and the investors therein.

For single-investor Funds and Managed Accounts, we manage each in accordance with its investment objectives, strategies, restrictions and guidelines, which are set forth in an investment management agreement with the Client or are otherwise incorporated into the Client’s governing documents. Single-investor Fund and Managed Account investment objectives, fee arrangements and terms are individually negotiated. Managed Account relationships are generally subject to account minimums.

Regulatory Assets Under Management

As of December 31, 2023, Apogem's total regulatory assets under management ("RAUM") was approximately \$41,789,132,849 (discretionary RAUM \$40,690,884,650, non-discretionary RAUM \$1,098,248,199). Please see Apogem's Form ADV Part 1A – Item 5.F at www.adviserinfo.sec.gov for more information.

ITEM 5 – FEES AND COMPENSATION

The fee arrangements with Clients will vary depending on a variety of factors such as the structure of the Fund or vehicle, the size of the account, and the investment strategy.

It is critical that Fund investors and Managed Account Clients refer to the relevant confidential private placement memorandum, investment management agreement and/or other governing documents for a complete understanding of fees and expenses they will pay. The information contained herein is a summary only and is qualified in its entirety by such documents.

A. Advisory Fees and Compensation

As a general matter, the operating agreement or investment management agreement for each Client describes the fees payable to Apogem and its affiliates. Fees charged by Apogem and its affiliates vary from Client to Client, but generally include a management fee and incentive fee/allocation, which are at rates and terms described in the Client's relevant documents and are generally not negotiable. However, some large investors or investor groups will receive more favorable economic terms than other investors. In some circumstances, Apogem will also offer economic discounts (including reduced fees) to investors participating in a Fund's early closing(s) or to investors that Apogem has determined, in its discretion, to be strategic investors. Apogem reserves the right to enter into similar arrangements in the future. In addition, Apogem, its employees and/or related persons' investments are not typically subject to the fees described above.

For Funds, a management fee of up to 2.0% is charged, though some Funds will not be charged a management fee. In some cases, the management fee will decrease in the later years of a Fund's life. Management fees vary by Client, and are generally based on: (i) capital commitments; (ii) invested capital; (iii) invested capital plus remaining capital commitments during the investment period of underlying fund commitments, and following the end of such investment period, invested capital; (iv) the average monthly value; (v) the outstanding principal amount of the Client's loan portfolio plus the value of other assets in the Client's portfolio; or (vi) some other methodology as described in the Client's governing documents.

Certain Funds will potentially pay a performance allocation, known as a "profit share" or "carried interest," to affiliates of Apogem, in addition to the management fees described above. Certain Funds pay carried interest or profit shares of up to 20.0%, though some Funds will not pay carried interest or profit shares. Carried interest and profit shares, as applicable, are described in the Client's governing documents.

Subject to applicable law and each Fund's governing documents, the general partner of a Fund has and will enter into side letter agreements with certain investors. Side letters have the effect of altering or supplementing the terms of the investors' investments in the Funds, including waivers or reductions of the management fee and the performance allocation, access to portfolio information, rights to make withdrawals, and circumstances under which withdrawals are required.

Advisory fees for Managed Accounts depend on a variety of factors including the nature and size of the account and services to be provided. Managed Account fees typically include an up to 1.0% management fee and an up to 20.0% performance allocation/fee, though some Managed Accounts will not have a management fee or performance allocation/fee.

B. Payment of Fees

Apogem's fees are generally paid from the assets of the Client(s) in accordance with the terms of the governing documents or investment management agreement. Fund investors do not have the ability to

choose to be billed directly for fees incurred. Upon termination of Apogem's investment management or investment advisory role, any earned, unpaid fees would be due and payable. The timing of when fees are paid depends on the individual governing documents of the Client. Fees are typically assessed quarterly or semi-annually, and in advance or in arrears as prescribed in the Client's governing documents. Capital is called to pay fees, or fees are deducted from current account balances, pending distributions, or from lines of credit.

Performance allocations are calculated and allocated for the life of the Fund and are typically realized later in the life cycle of the Fund after the Fund has returned invested capital plus a preferred return. Certain Funds, however, realize performance allocations on a deal-by-deal basis or by different methods depending on the type of gain.

Generally, performance fees or allocations are calculated and charged separately with respect to each investor in a Fund and are not affected by the profit or loss received by any other Investor.

C. Additional Fees and Expenses

In addition to the fees discussed above, investors, through their investment in the interests, equity or shares of the Funds ("Interests"), bear their proportional share of all fund expenses incurred including those expenses incurred in the organization of Funds in which they invest. These expenses typically include legal fees (including, without limitation, expenses relating to organizational and governing documents of the Fund and its general partner or managing member and related entities, offering memoranda and other materials, diligence responses, disclosure documents, legal opinions and side letter agreements and similar agreements), regulatory expenses in connection with the organization of the Fund and the offering and sale of the Interests, formation, structuring, travel, accounting fees, filing fees and expenses, marketing expenses, printing costs and other out-of-pocket expenses related thereto, good standing, registration and registered office expenses, legal, registration, accounting, filing, capital raising, marketing expenses (including travel expenses, meals, and the cost of marketing material), other organizational expenses and, in some instances, third party placement agent fees, if any. Expenses allocated to Clients typically include a maximum amount of organizational expenses that are borne by the applicable Fund; any excess organizational expenses are borne by Apogem or the Fund's general partner, in cases where the general partner is either directly or indirectly controlled by Apogem.

Terms will vary based on the Client's governing documents, but investors in Funds also bear their proportional share of the operating expenses particular to the Fund in which they invest (including any applicable custodial fees), which include, without limitation, the following:

- costs, expenses and liabilities related to the Fund's operations, including fees, costs and expenses related to the sourcing, identification, evaluation, investigation, due diligence, structuring, negotiating, purchase, operating, holding, financing, hedging, and monitoring and sale of portfolio investments including brokerage commissions, appraisals, finder's fees, financing fees, reverse termination, break-up and other similar fees, transfer agent fees, clearing, settlement and bank charges, investment sourcing database licenses and fees, insurance premiums or deductibles associated with an investment, other transaction fees and costs (to the extent not reimbursed), investor portals for both fundraising and investor reporting;
- underwriting commissions and discounts;
- taxes;
- fees and expenses of third-party accountants and auditors, consultants, advisors, counsel, custodians, administrators, NAV calculation agents, consultants, and other advisors and third-party professionals;

- costs related to the use of software, including but not limited to, software used to assist onboarding investors, the management or distribution of a Fund, data analysis, portfolio monitoring, valuation support, cash management and processing, investor portals, etc.
- costs and expenses incurred in connection with any meeting of the investors or advisory committee, including, travel and lodging;
- costs related to compliance with laws and regulations applicable to Apogem, the Fund and its general partner, including the European Union Alternative Investment Fund Managers Directive (“AIFMD”; foreign registration and regulatory filings (including compliance with Foreign Account Tax Compliance Act (“FATCA”) and the Common Reporting Standard (“CRS”), any and all expenses incurred in order to comply with any law or regulation related to the activities of the Fund; fees paid to offshore directors and related offshore governance expenses;
- regulatory (including Fund filing fees and expenses) and compliance fees and expenses (pertaining to the Funds, and including fees paid for compliance consulting services);
- travel, accommodations, meals and entertainment expenses of the general partner, Apogem and Apogem’s employees in connection with the Fund’s business;
- all principal, interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, financings or derivative transactions;
- translation services;
- fees and expenses incurred in connection with the transfer, acquisition, assignment, management, amendment, enforcement, pricing, obtaining credit estimates or ratings, valuation or disposition of investments by the Client;
- costs and expenses incurred in connection with any market data, relevant news or third-party research services and related terminals for the delivery of such services;
- any insurance, indemnity or litigation expense, including the cost of liability insurance for a Fund;
- premiums for errors and omissions insurance, fidelity insurance and officers and directors’ liability insurance, litigation expenses and other extraordinary expenses;
- all fees and expenses paid to underlying portfolio managers or investment sponsors;
- periodic reporting and bookkeeping expenses (including software license fees for investor reporting, existing and potential investor relationship management), and related services; and
- all ordinary out-of-pocket administrative expenses related to the operation, administration and liquidation of a Fund.

To the extent appropriate, and consistent with the applicable governing documents and transaction documents, certain third-party costs are charged to portfolio companies and borrowers of Apogem’s private credit originated loans.

Apogem endeavors to allocate charges across Funds and Managed Accounts in an appropriate manner, taking into consideration Fund and Managed Account involvement and appropriateness of investment.

Apogem has policies and procedures governing the allocation of expenses to Clients that are permitted based on the Client’s governing documents. In general, Apogem will allocate expenses that are shared across multiple Funds on a pro-rata basis based on assets under management. However, in certain situations Apogem assigns expenses in a different manner with the goal of allocating expenses in a fair and equitable manner as provided for in the applicable Client’s governing documents.

When allocating expenses to Funds based on assets under management, the date selected is meant to be the most meaningful date to the fees incurred in order to apportion the charges in the most fair and equitable manner. Generally, if an investment closes, expenses and fees are allocated to Clients proportionately to their respective investments. Fees, costs and expenses incurred, such as those described above, including third-party expenses, in connection with potential investments that are not consummated (i.e., “broken deal

expenses”) in certain circumstances will be allocated pro rata to those Clients that would have definitively received an allocation of such a transaction, as determined in Apogem’s sole discretion, unless specified otherwise in a Client’s governing documents. In cases where a single Client was the only definitive participant in an unconsummated proposed transaction, such broken deal expenses generally would be allocated to such Client. As set forth in a Client’s governing documents, a Client will potentially bear 100% of any unconsummated/broken deal expenses, even in circumstances where a co-investment was planned alongside such Client’s proposed investment. To the extent an expense is directly attributable to one Client’s unique underwriting requirements or procedures, such expense would be borne solely by that Client. Additionally, the appropriate basis for allocating such fees and expenses will sometimes not be clear. In such circumstances, Apogem will allocate the fees among the relevant Clients on a basis that Apogem concludes is fair and equitable in its sole discretion.

D. Prepayment of Fees

Many Clients are billed in arrears for their management fees, at the end of each month, fiscal quarter or semi-annual period, as required by the applicable investment management agreement or governing document. To the extent Clients are billed in advance and the applicable investment management agreement or governing document is terminated (or a Fund is wound down) before the end of a management fee period, Apogem will adjust the management fee so that the Client is charged only for the actual number of days that Apogem provided advisory services, and any unearned fee will be refunded to the Client.

E. Additional Compensation and Conflicts of Interest

Certain Apogem employees, including certain executive officers and members of its investment committees, are registered with the Financial Industry Regulatory Authority (“FINRA”) as representatives and/or principals of NYLIFE Distributors LLC (“NYLIFE Distributors”). NYLIFE Distributors is Apogem’s affiliate and is registered as a broker-dealer with the SEC and a member of FINRA. By virtue of their FINRA registrations, these employees have the ability to sell Interests to investors in the Funds. Registered employees of Apogem do not receive transaction-based compensation for selling Interests in Apogem Funds. Neither Apogem nor any of its supervised persons has accepted other forms of compensation (e.g., brokerage commissions) for the sale of securities or other investment products or arrangements, although this ability exists.

Occasionally, service providers of Apogem will provide discounts or credits to Apogem in connection with products or services they offer, however, if Apogem deems it to be in the best interest of its Client accounts, Apogem will select a service provider that charges more than other service providers.

In addition to providing investment advice to its senior loan focused Funds, Apogem also provides other services to the lenders, borrowers, and others parties to loans that are part of such Funds’ loan portfolios. For example, Apogem will serve as administrative and collateral agent on a number of the loans in any senior loan focused Fund. In addition, Apogem or an affiliate provides arrangement and syndication services to certain borrowers and their private equity sponsor owners. Apogem receives fees and compensation for providing such services, such as underwriting fees, structuring fees, arrangement fees, documentation fees, syndication fees, and administrative fees. None of these fees will be passed on to Apogem’s Clients unless otherwise specifically set forth in such Client’s investment management agreement or governing documents.

Certain senior loan focused Funds require that a senior loan be seasoned for a period of time after its issuance before it is sold to the applicable Fund. In certain circumstances, the investment management agreement or governing document with respect to such Fund requires a seasoning fee (typically 0.25% (or 0.0025)) based on the par amount of the seasoned senior loan be paid by the Fund to Madison Capital

Funding LLC (“Madison” or “Madison Capital”), an affiliate of Apogem, for the seasoning of the applicable senior loan.

Apogem has entered into, and in the future will potentially enter into additional, strategic relationships pursuant to which Apogem receives consulting fees and a share of a third-party sponsor’s management fees and/or performance fees in connection with investments made with such sponsors, including investments on behalf of Apogem’s Funds and affiliated Managed Accounts. If Apogem receives such fees, Apogem does so in accordance with the applicable agreements and makes the appropriate disclosures, where necessary, to relevant Clients in the context of each specific relationship, service or contract. Funds will also invest alongside sponsors in which Apogem receives these fees; however, Apogem does not have, nor does Apogem expect to have, any voting rights or control with respect to a sponsor’s decision with respect to these investments and such Funds do not pay management fees or performance-based fees to third-party sponsors in connection with investments they make.

Certain Apogem employees directly receive passive compensation from previous employment arrangements with one of Apogem’s Clients or non-advised third parties.

Apogem will potentially use the services and/or products offered by portfolio companies in which Client accounts have invested.

Apogem has engaged affiliated entities to offer and sell Interests in our Funds. In light of certain sales incentives that are in place, these affiliated entities will be incentivized to recommend our Funds over other funds and products they are selling at a particular time. When evaluating their recommendation, investors should consider the risks associated with an investment in our Funds as well as the potential conflicts of interest presented due to the incentives to sell those Interests.

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

Apogem (or an affiliate) receives performance-based fees from certain Funds managed by Apogem and, if applicable, from certain Managed Accounts. Not all Clients are subject to performance-based fees. Because Apogem receives performance based-fees from only certain of our Clients, Apogem faces a potential conflict of interest when it identifies an investment opportunity that is appropriate for both a Client that is not charged a performance-based fee and a Client that is. This potential conflict of interest also creates an incentive for Apogem to dedicate more time and resources to the higher fee-paying Funds or Managed Accounts. This potential conflict of interest additionally creates an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Performance-based fees also create an incentive to favor higher paying Clients over other Clients in the allocation of investment opportunities. In addition, certain performance-based fees are dependent, in part, on the unrealized value of certain investments. This provides an incentive for Apogem to use higher valuations. Apogem addresses these potential conflicts of interest by providing disclosure of the conflicts to prospective investors, by providing periodic training to Apogem personnel, and by establishing and maintaining reasonable policies and procedures designed to mitigate these potential conflicts.

Prior to making an investment, prospective Fund investors and Managed Account Clients are provided with disclosure as to how performance-based fees are charged with respect to a particular Fund or Managed Account and the risks associated with such performance-based compensation.

As a registered investment adviser, we have a fiduciary responsibility to treat each of our Clients fairly. We manage Funds and Managed Accounts that have overlapping investment mandates. We will act in a manner that we believe is consistent with our fiduciary obligations and act in a fair and equitable manner towards our Clients with overlapping mandates. In furtherance of this objective, we have implemented investment allocation policies for Clients with overlapping mandates and regularly review the related investment allocations.

Our allocation policies provide in certain situations for an allocation priority to Clients with an overlapping mandate, at the sole discretion of the applicable investment committee, which takes into account differences in the nature or amount of investments allocated to those Clients because of a variety of factors, including, but not limited to:

- Risk profile and specific Client investment objectives
- Client-imposed investment restrictions
- Portfolio size, construction, liquidity attributes, and diversification considerations
- Stage of the Client account's lifecycle
- Cash or liquidity available from the Client account for investment taking into account current cash availability as well as known and potential future cash needs or sources that will impact cash availability
- Borrower size
- Other concentration limits, regulatory limits, or Client specific restrictions
- Borrowing capacity (for Funds or accounts with leverage)
- Priority level of debt instruments
- The extent and nature of a Client relationship, including whether the Client is an existing active Fund and is seeking excess capacity in an investment that will be allocated to the same active Fund
- Existing relationships between the Client and the underlying sponsor including situations where the attributable source of the investment is an investment sponsor where the Client or related family of funds is an existing investor
- Underlying fund manager discretionary considerations, such as preference for certain investor profiles
- Contractual obligations, when applicable

- The target position size specific to each Client and/or strategy while also taking into consideration future additional capacity availability that will potentially impact the attainment of the desired final position size of the investment opportunity
- Other factors that Apogem reasonably deems relevant.

In situations where there is insufficient capacity, Apogem, in its sole discretion, will make subjective judgments using some or all of the above factors. In general, eligible investment opportunities are allocated pro-rata among eligible accounts based on the targeted or permitted investment size for each account subject to adjustments in order to avoid de minimis allocations. However, other methodologies will potentially be applied such as a target percentage, rotational allocations, as well as others. Apogem will also take into account other factors such as an investor's ability to quickly evaluate and close on an investment. Apogem has contractual relationships with certain Clients whose stated investment strategy is to potentially participate in excess investment capacity in highly sought-after investments to which Apogem has access. These "excess capacity" investments by certain Clients, but not others, will make it less likely that other Clients are offered access to some investment opportunities.

Copies of our investment allocation policies are available upon request.

In addition, Apogem employees and former employees of Apogem and its predecessor, Madison Capital, are investors in a number of Funds structured as a series of a Delaware series limited partnerships. In addition, the general partner of each of these Funds is paid a performance-based fee or carried interest from its related Fund. Certain of our senior investment officers and employees are entitled to a substantial majority of any performance-based fee or carried interest paid by the related Fund or Funds to any such general partner. These Funds invest solely in the equity of middle-market borrowers whose senior loans are available to be allocated to other Clients. Each equity investment by any of these Funds is made contemporaneously with the related senior loan. Some of these equity investments are offered to, and invested by, Clients whose mandates include investment in such equity investments and the related senior loans. Such Clients typically pay a performance-based fee or carried interest with respect to the equity investments. However, the equity investments made by these Funds will not be offered to all Clients who invest in the loans made to the issuer of such equity investments. When an officer or employee who is an investor in any of these above-mentioned Funds or its general partner is also responsible for the portfolio management of another Client whose investment mandate allows it to be allocated loans made to the issuer of any equity allowed to be held by the Fund, such officer or employee has a conflict of interest in connection with investment decisions for such other Client, including the selection of investments for such Client, because such officer or employee has an incentive to favor the above-described Fund and has an incentive to make investment decisions that benefit such Fund at the expense of the other Client.

If our Clients invest in different securities or other investments within the same issuer's capital structure, the interests of our Clients are potentially not aligned, which creates actual or potential conflicts of interests. The interests of Clients investing in different parts of the same capital structure are particularly likely to conflict in the case of financial distress. To the extent that any of the conflicts mentioned in this paragraph or the preceding paragraph arise, we will seek to resolve such conflicts consistent with applicable law, our fiduciary obligations to act in the best interests of our Clients, and our Clients' investment objectives.

Occasionally, we are offered co-investment opportunities. We have a dedicated co-investment program and additional discretionary Funds whose mandate includes co-investments, as well as contractual arrangements with certain other parties. After satisfying the investment allocation of any applicable Fund consistent with its governing documents and our allocation policy, Apogem has broad discretion in determining to whom and in what relative amounts to allocate any excess co-investment opportunities. Factors that Apogem considers include, but are not limited to, the magnitude and nature of a potential recipient's relationship with Apogem, if any, whether such potential recipient is able to assist or provide a benefit to Clients and/or

Apogem in connection with the potential transaction or otherwise, whether Apogem believes the potential recipient is able to execute a transaction quickly or is willing to bear expenses associated with a potential transaction that is not consummated, and whether the potential recipient is expected to provide expertise or other advantages in connection with a particular investment.

Please see Item 11 for more information on Allocation of Co-Investments.

ITEM 7 – TYPES OF CLIENTS

Apogem provides investment advisory services to Funds and Managed Accounts. The Funds offer Interests only to certain qualified investors such as pension plans, banks, sovereign wealth funds, endowments, other investment advisers, corporations, insurance companies, and high net worth individuals. Admission to the Funds is not open to the general public. An investment in a Fund is generally restricted to investors which qualify as “accredited investors,” as that term is defined under rule 501(a) of Regulation D of the Securities Act of 1933, as amended. These Funds are exempt from registration as investment companies with the SEC pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940 (the “1940 Act”). Most Funds further require investors to qualify as “qualified clients” and/or “qualified purchasers” as well as additional requirements. Our Funds generally require a minimum capital commitment of \$1 million or greater in order to invest. Investors should refer to a specific Fund’s private placement memorandum for more information on its minimum capital commitment. The respective general partners of our Funds will waive the minimum capital commitment requirement and have periodically done so for certain investors.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Our investment strategy and analysis with respect to our Funds and Managed Accounts is comprised generally of five key elements:

- originate deal flow primarily through industry and third-party general partner relationships;
- minimize principal loss by leveraging our due diligence network;
- strictly adhere to established investment criteria;
- follow a disciplined investment process; and
- actively monitor portfolio companies after an investment or loan has been made.

Each Fund and Managed Account managed by Apogem has specific investment guidelines and strategies, which are set forth in the governing documents for each Client. The Managed Accounts and Funds include some or all of the elements of the investment strategies described below.

Private Credit – Senior Loans

Apogem invests for certain Clients and our affiliates in senior secured loans made to middle market borrowers. The senior secured loans held in Client portfolios are originated or otherwise sourced by Apogem. Apogem seeks carefully selected, appropriately structured investments at attractive yields for its senior loan Clients.

To evaluate potential senior loan investments, Apogem uses a combination of analysis methods, including:

- Fundamental analysis of a company's financial statements, management capability and experience, competitive advantages and position, and industry and regulatory trends;
- Sensitivity analysis of each company and the sustainability of its cash flow, adjusting for economic cycles, risk factors specific to the business, seasonal fluctuations, and other potentially influential factors;
- Risk-return characteristics and a comparison of yields of loans of similar risk; and
- Expert networks which facilitate discussion with industry professionals.

Each investment opportunity is evaluated on the basis of its structure, key metrics, expected yield, and relative value, among other factors. The goal of this process is to ensure that the investment's expected yield is appropriate for the risk. Further, Apogem seeks to prudently diversify Client portfolios in order to limit exposure to any single company or any single industry, as mandated in certain Client governing documents.

For each investment, Apogem conducts a comprehensive due diligence process consisting of both qualitative and quantitative analyses, which typically includes (i) reviews of audits, internal financial statements, and accounting reports, (ii) discussions with and background checks of company management teams and owners, (iii) reviews of industry and competitive position studies, (iv) reviews of

ESG/Sustainability issues/factors, (v) review and negotiation of legal documentation, (vi) environmental risk and product liability risk assessment, (vii) discussions with external industry experts, and (viii) use of numerous additional internal and external information sources. Additionally, Apogem assesses the appropriateness of each investment for each Client.

Primary Investments

Primary investments refer to investments in third-party managed private equity funds that invest directly in operating companies. Apogem's primaries strategy generally seeks capital gains by building a diversified portfolio of middle market buyout, growth and turnaround / distressed private equity funds, co-investments and secondaries in North America. Apogem generally targets fund managers that are experienced in "business building," where growing and improving underlying portfolio company operations are the primary drivers of returns, not financial engineering. We believe middle market private equity provides a highly attractive business building opportunity in addition to historically lower purchase price and leverage multiples relative to the North American buyout market. Middle market private equity is a highly fragmented, dynamic market that has typically generated historically attractive returns. Given the wide dispersion of returns, Apogem believes that proper manager selection is a critical aspect of seeking to capture returns. In addition, the sourcing and business building opportunity in this space offers investors a means of potentially generating consistently attractive private equity returns over macroeconomic and capital market cycles, particularly with managers that focus on growing and improving underlying businesses rather than financial engineering.

Apogem seeks to develop long-term relationships with sponsors that it believes will produce results over time. Apogem attempts to identify critical industry trends and select investment managers who Apogem believes are well-positioned to generate attractive risk-adjusted returns. Apogem has relationships with many financial intermediaries and sponsors and attempts to identify the most promising opportunities.

Apogem conducts detailed due diligence on each portfolio manager, including review of factors such as the portfolio manager's investment performance during various time periods and market cycles, investment strategy, infrastructure, research capabilities, sustainability practices, assets under management and the portfolio manager's reputation, experience, training, and investment philosophy and policies. The portfolio manager's ability to provide timely and accurate reporting also will be considered.

Secondary Investments

Secondary investments refer to investments in private equity funds purchased from existing investors in third-party managed private equity funds. Secondary investments also include investments directly in operating companies and continuation fund vehicles managed or controlled by a general partner or financial sponsors. Apogem's secondary program seeks to deliver attractive risk-adjusted returns by building a diversified portfolio of investments across the private equity secondary market, with a primary focus on investments in the North American middle market. The strategy leverages the overall private markets capabilities of Apogem in the middle market, including Apogem's dedicated multi-manager Fund and co-investment strategies, to source, diligence, and invest in secondary opportunities. Historically, these secondary opportunities have primarily included acquisitions of private equity limited partner fund interests and companies and structured transactions surrounding a general partner or financial sponsor, including investments in continuation fund vehicles.

Co-investments

Co-investments refer to investments in the equity or debt of operating companies together with one or more other private equity funds managed by unaffiliated sponsors, primarily alongside Apogem's private equity

Funds and other buy-out sponsors. Co-investment deal flow is typically generated through existing general partner relationships and pre-screened by these financial sponsors prior to Apogem's involvement. Apogem conducts due diligence to assess the return profile of the target company and confirm the sponsor's investment thesis prior to investing on behalf of its Clients. Typically, the investment team seeks to identify and focus on those transactions in which the sponsor has relevant expertise and a history of success. Sponsors with whom Apogem has a long-standing relationship often bring Apogem opportunities before they are widely marketed, providing Apogem with additional time for due diligence and the ability to work alongside the sponsor early in the transaction. In addition, through the general partners' portfolio companies and our affiliates' private placement portfolios, we have access to the management teams of many private companies that are customers, suppliers, and/or competitors of the target company or former executives of the target company. Through this due diligence network, we often gain proprietary insights into target companies, industries and management teams. We typically seek to generate deal flow by utilizing a general partner's established proprietary databases, systems and processes, as well as capitalizing on the background and network of each of the general partner's investment professionals and private equity relationships.

Real Assets Investments

Apogem's real assets capability is a private natural resources program focused on the global middle market. The strategy focuses on the underlying ownership of real assets while providing more control over sector and value chain diversification through specialist manager selection, thematic direct and/or co-investments, and potential opportunistic secondary investments. This focus seeks to better mitigate cyclical volatility with a focus on downside protection and loss mitigation.

General Partner Stakes ("GP Stakes")

Apogem's GP Stakes strategy seeks to invest in, and partner with, private equity sponsors operating in the middle market ("Investee Managers"). Apogem has partnered with OA Private Capital ("OA"), an unaffiliated third-party investment adviser to deliver this strategy of acquiring direct minority equity positions in such Investee Managers. Apogem believes GP Stakes investments create desirable financial access to high-quality private equity firms operating in the expanding middle market segment, and that their experience and resources will make the strategy an attractive partner to provide Investee Managers with growth capital while helping to further institutionalize their respective businesses. Through the construction of a diversified portfolio of GP Stakes investments, the strategy seeks to generate attractive risk-adjusted returns, through a cash yield and value appreciation. The strategy targets what it believes are leading private equity firms in the North American and Western European middle market, typically with assets under management between \$1 billion and \$10 billion. The strategy focuses on Investee Managers across the middle market, including buyout, growth, turnaround, secondaries, real assets and opportunistic credit strategies.

Small Business Investment Companies ("SBICs")

Apogem's SBIC strategy pursues its investment objective by investing in a multi-manager portfolio of SBICs. SBICs are private investment funds raised and managed by investment managers that are licensed and closely monitored by the United States ("US") Small Business Administration ("SBA"). SBICs seek to support the US small-business community by making private debt and equity investments that facilitate economic growth and job creation, with an emphasis on women and minority-owned businesses as well as underserved communities.

RISK OF LOSS

The following is a summary of the material risks involved with the investment strategies and methods of analysis employed by Apogem, as described above.

Investing in the Funds that Apogem manages involves a risk of loss that all Fund investors should be prepared to bear. Similarly, the discussion of risks that follows below also applies to Apogem's Managed Accounts which typically engage in the same strategies as our Funds.

It is not possible to identify all of the risks associated with investing, and the particular risks applicable to each Client account will depend on the nature of the account, its investment strategy and the types of investments held in the account. A more detailed discussion of the risks of investing is presented in the relevant offering documents. It is critical that Clients and investors refer to their respective Client's offering documents for a more complete understanding of the significant risks associated with investments (including the risk of total loss).

Risks Associated with our Funds

- **Organizational Changes:** As previously communicated to Apogem Clients and investors, Apogem's three legacy advisers, GoldPoint Partners LLC (founded in 1999), Madison Capital Funding LLC (founded in 2001) and PA Capital LLC (founded in 1997), were combined into Apogem effective April 1, 2022. While Apogem believes this combination and integration will continue to help identify and affect greater synergies in order to enhance our collective ability to source, evaluate, and execute investment opportunities, the combination will also continue to present certain risks and potential conflicts of interest. For example, the combination will likely continue to involve unexpected expenses, liabilities, or delays. Unexpected expenses will potentially reduce the amount of capital available to be used for other corporate purposes, including management of Client assets. Apogem will also incur certain transaction costs, as well as consolidation and integration expenses that cannot be accurately estimated, either of which will potentially have a negative effect on the operations and management of Apogem. Uncertainties associated with the combination will possibly continue to cause a loss of management personnel and other key employees, which would adversely affect operations. There is no assurance that the business operations and personnel of Apogem's former relying advisers will be successfully integrated on a timely basis, if at all. The integration process will potentially continue to divert the attention of senior management, and any unexpected difficulties in implementing the integration would possibly cause a disruption in the ongoing operations. Further, the combination, although 2 years in, will possibly continue to have a negative effect on employee morale and the ability of Apogem to retain key employees. As a result, management of Apogem will potentially be materially and adversely affected. Additionally, the combined organization will potentially continue to result in additional competition for resources and/or investment opportunities. For example, Apogem would potentially have an incentive to expend resources and time or allocate certain investments to other Funds that provide higher management fees or other pecuniary benefits.
- **Reliance on Key Personnel:** The success of our Funds depends in part upon the skill and expertise of our investment professionals. The departure of a key employee or key employees will potentially have an adverse impact on the performance of our Funds. The success of our Funds will also depend upon the ability of Apogem's sponsors to identify attractive investment opportunities and in turn, to provide high quality deal flow to our Funds.
- **No Assurance of Investment Returns:** There is no assurance that Apogem will be able to invest Client's capital with attractive terms or generate returns for investors. Apogem's Clients' returns, if any, are unpredictable. The possibility of partial or total loss of capital exists and a potential investor should not

invest in Apogem's Funds and Managed Accounts unless it has the ability to sustain the loss of its entire investment. Even if Apogem's Clients' investments are successful, it is possible that they will not produce significant cash flow to investors for a number of years.

- Illiquid Investments: Our Funds' investments will generally be highly illiquid. Due to the illiquid nature of some of the portfolio investments which each Client is expected to acquire, Apogem is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated will possibly be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors, or restrictions on transfer. There is no assurance that a Fund will be able to realize the portfolio investments in a timely manner. Consequently, dispositions of such investments will likely require a lengthy time period and be required to be made at inopportune times, or prior to realization, resulting in such investments being sold at a discount which would reduce a Fund's returns.
- Nature of the Investments of a Fund: Interests in our Funds have not been registered under the federal securities laws or any other securities law and investors are not permitted to sell, transfer, or pledge their Interests except with the consent of the applicable general partner or managing member, which will potentially be withheld in its sole discretion. The Interests will not be redeemable, and voluntary withdrawals by investors will not be permitted, except when necessary to comply with particular laws, statutes, and regulations. There is no market for the Interests in our Funds, and none is expected to develop. Investors thus will not be able to liquidate their investment in the event of any emergency, or for any other reason.
- No Investor Participation: Except in certain limited circumstances, Investors in our Funds will have no opportunity to participate in the Funds' day-to-day operations, including investment and disposition decisions. In order to safeguard their limited liability from the liabilities and obligations of our Funds, investors must rely entirely on us to manage the affairs of the Funds.
- Limited Investments: Our Funds will likely participate in a limited number of investments and, as a result, the unfavorable performance of any single investment will have a significant adverse effect on the performance of a particular Fund.
- Defaulting Investor Risk: If an investor fails to make all or any portion of its capital contributions to a Fund when due, such default will likely cause injury to the Fund and to the other investors. Non-defaulting investors would potentially be required to make additional capital contributions to the Fund to cover any shortfall resulting from other investors' defaults.
- Cash Flow Limitations: In the event that our Funds do not have sufficient cash flow to permit them to make distributions in the amount necessary for their respective investors to pay all tax liabilities resulting from their ownership of Interests in our Funds, investors will likely be required to use funds from other sources to satisfy tax liabilities resulting from their investments.
- Tax Consequences: Each prospective investor should consider the tax consequences of an investment in Apogem's Funds or through a Managed Account. The tax consequences with respect to these investments are often complex. In addition, no assurance is given that an Apogem Fund, Managed Account or any other structures through which Apogem invests will be tax-efficient for any prospective investor or that returns to any investor will be unaffected by taxation arising in relation to an underlying investment structure. No undertaking is given that amounts distributed or allocated to investors will have specific tax characteristics or that investors will receive specific tax treatment in their own jurisdiction or any other jurisdiction. Additionally, returns or distribution(s) to investors are potentially affected by tax authorities or courts interpreting or applying tax legislation differently to the

interpretation and application anticipated by the general partner and its advisers. Prospective investors are strongly urged to consult their own tax advisers with respect to their particular tax situations, filing requirements and the consequences of an investment in an Apogem Fund or separate account, including potential legislative or administrative changes. Fund investors should refer to the governing documents of an applicable Fund for further discussion of the risks and tax consequences associated with specific strategies of such Fund.

- Non-U.S. Investments: In certain cases, a portfolio manager invests in non-U.S. securities denominated in non-U.S. currencies and/or traded outside of the U.S. Such investments require consideration of certain risks typically not associated with U.S. investments. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, impositions of exchange control regulation by the U.S. or foreign governments, U.S. and foreign withholding taxes, limitation on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation, and economic or political instability in foreign nations. There is typically less publicly available information about certain foreign companies than there would be in the case of comparable companies in the U.S. Certain foreign companies are not subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. The value of such foreign investments is often materially affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, risks of using local intermediaries, different accounting standards, limited availability of information, restrictions on investment and repatriation, changes in government policies, different infrastructure and business environments, natural disasters, armed conflicts, social instability and other developments affecting such countries. Securities markets outside the U.S., while growing in volume, typically have less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices are more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non-U.S. markets is much slower and more liable to failure than in U.S. markets.
- Liability: If a Fund becomes subject to a liability, parties seeking to have the liability satisfied typically have recourse to all of the Fund's assets and will likely not be limited to any particular asset, such as the investment giving rise to the liability.
- Litigation Risk: As an investor at various levels of the capital structure and at different levels of control of a portfolio company, Apogem is potentially subject to litigation related to a portfolio company. In connection with the disposition of an investment in a portfolio company, our Funds are sometimes required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and be responsible for the contents of disclosure documents under applicable securities laws. Additionally, from time to time, members of our investment team sit on the board of directors or board of managers of a portfolio company, which subject such individuals to potential derivative or other similar claims brought by security holders of these companies. Our Funds will typically also be required to indemnify the purchasers of such investment or underwriters in the event that the portfolio company is subject to an initial public offering to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements sometimes result in contingent liabilities, which typically have to be funded by the investors in our Funds.
- Return of Distributions: Under certain circumstances, payments to our Funds and distributions by our Funds to their investors will typically be reclaimed if a court or other adjudicatory body determines that a portfolio company of the Fund has made an unlawful preferential payment.

- Control of Management/Key Persons: While we actively monitor each investment, the management of each portfolio company is primarily responsible for managing its day-to-day operations, and we will not generally have the right to exert significant influence on a portfolio company, its management or board of directors. As a result, our Funds are significantly reliant on the existing management and board of directors of such companies, which include representation of other unaffiliated investors whose interests sometimes conflict with ours. Further, investment performance is likely substantially dependent on certain key personnel. Should key personnel cease to participate in management activities, investment performance will potentially be adversely affected. There is no assurance that these key personnel will continue to be associated with or available throughout the term of a Fund.
- Valuation: When we value Fund investments that do not have active trading markets, we consider one or more subjective factors and use our own professional judgment. Accordingly, these valuations sometimes do not agree with the valuations made by others, including industry and investment professionals. These valuations should not be viewed as accurate predictions of the ultimate values that will be realized if and when such investments are sold or otherwise disposed of. In addition, please note that the value of any senior loan held by a Client will be calculated as specified under “Additional Risks Specific to Private Credit Investing – Valuation Risks” and will not be based on or calculated in accordance with generally accepted accounting principles, determined using third-party valuations or determined using observable market data.
- Limited Operating History: Our Funds sometimes invest in businesses with little or no operating history.
- Limited Right of Action: Because of the indemnification provisions contained in our Funds’ governing documents, investors in our Funds will often have a more limited right of action against us, our employees, and our affiliates than they would have in the absence of such provisions.
- ERISA: For purposes of compliance with applicable regulations under the Employee Retirement Income Security Act (“ERISA”), some of our Funds are managed to qualify as “venture capital operating companies,” and as such, these Funds are typically precluded from making certain investments. In some instances, these Funds are also required to liquidate investments at disadvantageous times, resulting in lower proceeds to a Fund than that Fund might otherwise receive. The assets of some of our Funds are treated as “plan assets” for purposes of ERISA. Accordingly, Apogem serves as a “qualified professional asset manager” under ERISA with respect to these Funds. As a result, these Funds are precluded from engaging in non-exempt prohibited transactions under ERISA and the Internal Revenue Code, including certain investments and other transactions. In addition, these Funds are not permitted to invest in certain underlying funds. ERISA compliance activities sometimes expose the assets of these Funds to claims by a portfolio company, its security holders and its creditors. While Apogem intends to manage these Funds in a way to minimize the exposure to these risks, the possibility of successful claims under ERISA cannot be precluded.
- AIFMD: AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund Interests to investors within the European Economic Area (“EEA”). Certain of our Funds are, and future Funds will likely be actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available. Certain of our Funds are, and future Funds will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will likely result in our Funds incurring additional costs and expenses. Certain of our Funds are, and future Funds, their general partners and/or we will likely become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which will likely result in our Funds incurring additional costs and expenses or otherwise affect their management and operations. In addition, certain of our Funds are

and future Funds will likely be, required to make detailed information relating to our Funds and their investments available to regulators and third parties. Finally, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which will likely make it more difficult for our Funds to raise their respective targeted amount of capital commitments.

- Strategies of Managers: The Funds utilize underlying portfolio managers that employ various investment strategies. The ability of a portfolio manager to obtain a profit from these investment strategies often depends upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of securities is often contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the Fund will likely incur a loss on the position.
- Lack of Direct Control by Investment Manager: Regarding most of Apogem's strategies, Apogem typically entrusts all investment decisions to the selected portfolio managers. In so doing, a Fund will be dependent upon the integrity, skill and judgment of its portfolio managers. Although Apogem has the ability to impose certain restrictions on the portfolio managers, there are no assurances that the portfolio managers will comply with such restrictions.
- Due Diligence Process Limitations: Apogem conducts due diligence to an extent deemed reasonable and appropriate based on the facts and circumstances applicable to each investment, before making a commitment to any particular investment. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an investment. When conducting due diligence, we expect to evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the kind of investment opportunity presented, but will include business, financial, tax, accounting, environmental, social, governance and legal issues. Outside consultants, legal advisers, accountants and other advisors are sometimes involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we will be required to rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process will likely at times be subjective with respect to newly organized funds or companies for which only limited information is available. Additionally, in connection with the evaluation of potential investment opportunities, Apogem will sometimes engage with individuals retained by expert networks who are under an obligation not to disclose confidential information. Apogem seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented internal policies to mitigate the risk that the use of expert networks will potentially result in the receipt of confidential information by investment professionals. However, no assurances are being made that such individuals do not share confidential information. In such cases, Apogem will potentially become restricted from pursuing those investments, which would possibly have an adverse impact on Investors/Clients. Considering the foregoing, there is no assurance that the due diligence investigations undertaken will reveal or highlight all relevant facts that will sometimes be necessary or helpful in evaluating a particular investment opportunity. There is also no assurance that such an investigation will result in an investment being successful.
- Activities of Underlying Portfolio Managers: Although Apogem seeks to select only portfolio managers who will invest a Fund's assets with the highest level of integrity, we do not have control over the day-to-day operations of any of its selected portfolio managers. We would not necessarily be aware of certain activities at the underlying portfolio manager level, including without limitation the portfolio manager's engaging in unreported risks, investment "style drift" or even fraud. As a result, there is no

assurance that every portfolio manager engaged by the Funds will conform its conduct to these standards.

- Co-Investments with Third Parties: A Fund's co-investment with third parties involves risks, including the possibility that a third-party investor will potentially have economic or business interests or goals that are inconsistent with Apogem's, or that a third party will possibly be in a position to take (or block) actions in a manner contrary to Apogem's investment objectives.
- Diversification Risks: While Apogem seeks to appropriately diversify the investments in its Client portfolios, its mandates are focused on a limited segment of the potential investment universe. Investors should not consider a portfolio a complete investment program and are responsible for appropriately diversifying their overall investment portfolio to guard against the risk of loss.
- Clients Experience Fluctuations in Results: Clients typically experience fluctuations in results from period to period due to a number of factors, including changes in the values of the Clients' underlying investments, changes in the level of drawdowns on capital commitments, changes in the amount of distributions, dividends or interest paid in respect of investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which Clients encounter competition in the making of investments or the underlying investments encounter competition in their businesses and general economic and market conditions. Our strategies have exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability causes results for a particular period not to be indicative of performance in a future period.
- Investment and Trading Risks in General: Investments made by Funds risk the loss of capital. Portfolio managers utilize such investment techniques as leverage, margin transactions, short sales, option transactions and forward and futures contracts, practices which will, in certain circumstances, maximize the adverse impact to which the Fund is subject to. No guarantee or representation is made that the Fund's program will be successful, and investment results will typically vary substantially over time.
- Illiquid Portfolio Securities: To the extent that a portfolio manager invests in private securities or restricted securities, in most cases the valuation of such securities will be determined by the portfolio manager, whose determination, despite the conflict to which the portfolio manager is subject when establishing such values, will be final and conclusive as to all parties. The value established will sometimes not reflect accurately the amount that will likely be realized if the securities were sold. The valuation process and potential conflicts are overseen by Apogem. In certain situations, such as disposing of a stub position or during the liquidation of a Fund, Apogem will sell such an investment to another party at a substantial discount to the current capital account value or net asset value of the position. In situations where a given Fund is in the process of liquidation, Apogem will take into consideration the substantial costs of continuing to operate the Fund over time, compared to the discounted market value received when selling a position in the secondary market. Accepting a discounted bid for a position will potentially result in a significant difference between the value stated by the portfolio manager and the secondary market value.
- Highly Volatile Markets: The prices of commodities contracts and all derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which the Fund's assets are sometimes invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and will, together with other

factors, cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Underlying Funds also are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

- Distressed Securities: Certain Funds will invest with portfolio managers that invest in stressed or distressed securities. The ability of a portfolio manager to obtain a profit from these investments often depend upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities is potentially contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the portfolio fund will potentially incur a loss on the position. Distressed securities that have a limited trading market, are likely to result in limited liquidity and present difficulties to the portfolio manager in valuing its positions. Investments in equity securities of companies with substantial amounts of indebtedness involve a high degree of risk. Companies with substantial amounts of indebtedness are inherently more sensitive to adverse business or financial developments or economic factors, including declines in company revenues, increases in company expenses, rising interest rates, downturns in the economy, increasing competition and deteriorating industry conditions.
- Fixed-Income Securities: We invest in fixed-income securities. These securities typically pay fixed, variable or floating rates of interest, and sometimes include zero coupon obligations. Fixed-income securities are subject to credit risk, or the risk of the issuer's inability to meet principal and interest payments on its obligations. Credit risk often changes over the life of a loan, and securities and other debt instruments that are rated by rating agencies are sometimes downgraded. Fixed-income securities are also subject to market risk, or the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity. Fixed-income securities are subject to interest rate risk, or the risk of market changes in interest rates. Interest rate risk affects the value of debt.

Our portfolio managers invest in both investment grade and non-investment grade debt securities, including high yield bonds and distressed securities. Non-investment grade debt securities are generally considered to be speculative with respect to the issuer's capacity to pay interest and repay principal. Non-investment grade debt securities in the lowest rating categories involve a substantial risk of default or are sometimes in default. Distressed securities are securities issued by companies that are involved in bankruptcy or insolvency proceedings or experiencing other financial difficulties. The performance of investments in distressed securities will likely be adversely affected to a greater extent by specific economic developments affecting an issuer, or by a general economic downturn, than investment in securities of issuers not facing such difficulties.

- Mezzanine Securities: We invest in mezzanine securities which typically are subordinated to substantial amounts of senior debt, all or a significant portion of which is typically secured. As a result, distributions to mezzanine holders are available only after all senior creditors' claims have been satisfied. Our ability to influence a portfolio company's affairs with respect to our mezzanine securities, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Accordingly, Apogem will sometimes not be able to take the steps necessary to protect its mezzanine investments in a timely manner or at all. Different risks exist with respect to our investments in senior debt, which is described below under "Additional Risks Specific to Private Credit Investing".
- Purchasing Initial Public Offerings: At times, portfolio managers and portfolio funds purchase securities of companies in initial public offerings of any equity security ("new issues") or shortly thereafter. Special risks associated with these securities typically include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the company, and limited

operating history. These factors will potentially contribute to substantial price volatility for the interests of these companies and, thus, the Fund's Interests. The limited number of interests available for trading in some initial public offerings will likely make it more difficult for a portfolio manager or portfolio fund to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which is not widely understood by investors. Some of these companies will typically be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Additional Risks Specific to Private Credit Investing

Private credit investing involves substantial risks and, therefore, should be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents. Private credit investing involves risk of loss, including risk of loss of the entire investment that Clients should be prepared to bear.

- Market for Transactions and Financing: The business of identifying and structuring debt transactions is highly competitive between capital providers and involves a high degree of market and transaction uncertainty. There are situations when Apogem will not be able to identify suitable investment opportunities to satisfy its Clients' investment objectives. Even if Apogem is able to identify suitable investment opportunities, it will not always be able to allocate sufficient amounts of such investment opportunities to any specific Client. The addition of new Clients who are able to take senior loans will reduce the amount of any similar suitable investment opportunities allocated to current Clients because of the operation of the private credit allocation policy.

The financial markets have experienced substantial fluctuations. Any disruption in the credit and other financial markets will sometimes have negative effects on general economic conditions, as well as on the operating performance and the availability of capital for entities in which Apogem's Clients invest. These conditions will likely also result in increased default rates and credit downgrades and affect the value of instruments in which Apogem's Clients invest.

- Risk of Private Debt and Equity Investments: Private debt and equity investments involve a high degree of financial risk. Investments made by Apogem for its Clients will not always be profitable and losses in some scenarios will occur. In certain circumstances, a private debt obligor will not be able to repay its debt and a liquid market does not exist to exit these obligations. Therefore, in these situations, Apogem's Clients will likely not realize their rate of return objectives and will likely not receive a full return of their invested capital.
- Debt – Assignments and Participations: On behalf of its Clients, Apogem invests in loans either directly (by purchase from the borrower or by assignment) or indirectly (by way of a participation interest). Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan, such as credit risk of the counterparty, lack of voting rights, and lack of direct enforcement rights in connection with a loan default.
- Leverage: Apogem will often invest Client assets in a manner that would subject Clients to the financial risk of leverage. Levered portfolio investments have increased exposure to risks, including adverse fluctuations in interest rates, downturns in the economy and the inability to refinance debt as it matures. While Apogem has not historically done so on a regular basis, it is possible that our Funds will borrow money to fund the cost of non-U.S. investments in order to hedge exposure to fluctuations in the exchange rate between the U.S. dollar and other currencies. A Fund will potentially also borrow money on a short-term basis in anticipation of receiving additional capital called from investors or distributions

from its portfolio companies. A Fund will also borrow money on a long-term basis by pledging its assets. The extent to which a Fund borrows to fund its activities will likely have important consequences to the investors in such Fund, including:

- greater fluctuations in the value of the net assets of the Fund;
 - the use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes;
 - to the extent that a Fund's revenues are required to meet principal payments on indebtedness, the investors in that Fund will sometimes be allocated income (and therefore tax liability) in excess of cash available for distribution;
 - the use of leverage will sometimes result in unrelated business taxable income for tax-exempt investors;
 - in certain circumstances, the Fund will be required to prematurely dispose of investments to service its debt obligations;
 - the use of leverage on a short-term basis in anticipation of receiving additional capital called from investors will likely result in a higher IRR for the Fund which does not necessarily represent the performance of a Fund's underlying investments. This is due to the fact that calculations of gross IRR and net IRR are based on the period of time between (a) the date of limited partner contributions for a relevant investment (and not the date the investment was made) and (b) the date of distribution from the applicable Fund or account to investors. Therefore, if a subscription facility is used to fund an investment, capital will be called more slowly from our investors to repay such borrowings, which would shorten the time between such contribution and distribution and consequently increase or decrease gross IRR and net IRR;
 - the terms of any indebtedness will likely restrict the flexibility of the Fund to make distributions to its investors or sell assets that are pledged to secure such indebtedness; and
 - if interest rates were to increase, the interest expense on any floating rate indebtedness (debt obligations that are periodically refinanced at then-current market rates to pay for a company's ongoing operations) would increase, perhaps significantly.
- Subordinated Debt: Some of our Clients invest in types of securities which are subordinated to other securities with a portfolio company's capital structure. Under certain circumstances, the collateral securing a second lien loan, if any, potentially will not be sufficient to satisfy the borrower's obligations in the event of non-payment of scheduled interest or principal and will likely be difficult to liquidate on a timely basis. A decline in the value of the collateral will possibly cause the second lien loan to become substantially unsecured, and circumstances will potentially arise (such as in the bankruptcy of a borrower) which will cause the borrower's security interest in the loan's collateral to be invalidated. Second lien loans are subordinate in security to one or more senior secured loans of the borrower and therefore are subject to additional risk that the cashflow of the borrower and the property securing the second lien loan will often be insufficient to pay the scheduled payments to the lender and are also expected to be less liquid than senior secured loans. These second lien loans are often "covenant lite," which have financial covenants measured at the time of incurrence of new indebtedness, but generally do not have "maintenance covenants" measured on a periodic basis. Covenant lite loans are subject to

greater risk of default than loans with both incurrence and maintenance covenants. If a portfolio company becomes insolvent or files for bankruptcy protection, there is a risk that a court will potentially subordinate a Fund's investment to other creditors or require a Fund to return amounts previously paid to it by the portfolio company. A Fund's exercise of management rights in a portfolio company will sometimes also lead creditors of the portfolio company or other parties to assert claims against the Fund. Although certain of Apogem's Funds intend to structure their investments to include protective terms and conditions, a Fund's investments will not always be protected by financial covenants or limitations upon the borrower's assuming additional indebtedness, having limited liquidity, and the potential of not being rated by a credit rating agency. Debt securities in general are also subject to other creditor 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; and (iii) environmental liabilities that will arise with respect to collateral securing the obligations.

- Valuation Risks: Because there is very little or often no observable third-party market data for the senior loans or junior debt and equity investments held by Client Accounts, Apogem relies on its own internal credit review procedures and processes to determine the value of these loans and investments. Values will generally not be determined by an independent third party or valuation opinion provider. Apogem's internal senior loan credit review process is applied consistently across senior loans held for the account of its affiliate, Madison Capital, and senior loans held for its unaffiliated Clients. The value of a senior loan based on this internal credit review process is equal to the outstanding amount of such senior loan on the date of determination, net of the greater of unamortized loan fees and the loan loss reserve with respect to such senior loan. A senior loan's loan loss reserve is calculated in accordance with Apogem's private credit senior loan valuation policies and is based on Apogem's internal credit rating of such senior loan, with loans deemed by Apogem to be riskier having a higher loan loss reserve. Loan loss reserves are consistent across senior loans held for the account of Apogem's affiliate, Madison Capital, and senior loans held for unaffiliated Clients.

In addition, our Clients and prospective investors should note that the value of any senior loan held by a Client will not be based on or calculated in accordance with generally accepted accounting principles. Currently, neither Apogem nor any of its Clients that hold senior loans is required to determine the fair value of any such senior loans for accounting purposes. Moreover, to the extent Apogem is required to determine the "fair market value" of a senior loan under any provision of any Client governing document it will make that determination in the manner described in the preceding paragraph, which is different from how such determination is made in other contexts, including for certain federal securities laws or accounting purposes.

Because there is no established secondary or trading market for the senior loans and valuations of the senior loans are inherently uncertain, if required to sell, there is no certainty that Apogem will be able to sell senior loans held in Client accounts at a price equal to the price at which the Client acquired the senior loans or at any price at all.

Investments in privately held equities and mezzanine securities are carried at cost unless a non-temporary decline in fair value is deemed to have occurred, in which case it is written down to fair value. In such circumstances, a valuation is performed that reflects significant events that affect the values of the investments. The types of factors that Apogem takes into account generally include, as appropriate, a comparison to publicly traded instruments; the enterprise value of a portfolio company; the nature and realizable value of any collateral; the portfolio company's earnings and discounted cash flow; the markets in which the portfolio company does business; and other relevant factors. In addition, if an observable price change occurs (i.e., additional issuance, merger activity, etc.) for the identical or

similar class of securities of the same issuer, investments will be adjusted so that cost reflects the price change, even if it exceeds original cost.

- **Illiquidity Risk:** Senior loans and related debt and equity investments are illiquid investments and involve a high degree of risk. As such, an investment in a Fund should be considered only by persons financially able to maintain their investment for a prolonged length of time and who is able to afford a total loss of such investment.

Additional Risks Related to Private Equity

Private equity investing involves substantial risks and, therefore, should be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents. Private equity investing involves risk of loss, including risk of loss of the entire investment that Clients should be prepared to bear.

- **General Risks of Private Equity Investing:** Private equity investments will be subject to numerous risks generally related to investing in securities and the additional risks associated with investing in non-marketable securities and non-public companies. The securities or other interests acquired by our Funds will generally have restrictions on resale and, even in the absence of such restrictions, will not be marketable. The ability of our Funds to profit from its investments will be highly dependent upon the ability of the underlying portfolio companies to progress in their development to the point where they will become an attractive merger or acquisition candidate or affect a public offering. Numerous factors impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management, loss of key persons, technology obsolescence and lack of market acceptance. Companies will potentially face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary are sometimes more expensive or take more time than projected and the growth in revenues are slower than expected. In any such event, the fund in which Apogem has invested (the/an “Underlying Fund”) will be asked to provide additional capital. If the Underlying Fund that provided the financing is unable or refuses to provide the additional capital, the portfolio company will obtain the needed funds from another source, thereby diluting the earlier investment by the Underlying Fund. Alternatively, the inability of the portfolio company to obtain the needed financing will often result in the failure of the portfolio company and a partial or total loss of the investment in such portfolio company (either directly or through an Underlying Fund).

Investments made by our Funds will often require investors to recognize taxable income even though they have not received cash. In such an event, an investor would have to use other funds to satisfy any resulting tax liability. Certain distributions to investors are subject to recall. In certain circumstances, some of the underlying investments will have restrictions about the types of investors they are willing to admit. For example, an Underlying Fund will have certain internal, policy, or regulatory restrictions preventing it from accepting non-US investors. In such a case, our Funds will likely be prevented from committing to such Underlying Fund, or a Fund will likely need to make such a commitment through an alternative investment vehicle. In such a case, some of the investors in the Fund will potentially be excluded from the investment, which would likely lead to different returns for such investors. If the general partner or manager of an Underlying Fund determines that the continued participation of our Client or Clients in the Underlying Fund would have a material adverse effect on the Underlying Fund or its assets, that Underlying Fund will often terminate the Client’s Interest in the Underlying Fund, or otherwise penalize the Client(s).

- **Long-Term Focus:** Because of the risks involved, the lack of a public market for private equity investments, and restrictions on transfer of Interests, private equity investments are only suitable for

sophisticated investors who are willing to hold their Interests for the term of the investment and who understand the risk of losing all or a significant portion of their invested capital exists. A private equity fund is expected to hold its investments for a number of years and, in turn, the managers of the Underlying Funds, if applicable, are expected to hold their investments for a number of years.

In addition, in some cases, a private equity investment will be prohibited by contract or applicable laws from selling certain securities for a period of time.

Investors in private equity funds generally do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments to be made by a Fund and, accordingly, will be dependent upon the judgment and ability of the Underlying Funds and us choosing those particular Underlying Funds or co-investments. No assurance will be given that a Client will be successful in obtaining suitable investments, or if such investments are made, that the objectives of the Client will be achieved.

- Market Factors: A weak public securities market often has a negative impact on an Underlying Fund's exit strategy from investments in that there is often reduced merger and acquisition activity and a negative or prohibitive effect on public offerings. In such event, the ability of the Client to achieve a favorable return on its investments will be impeded.
- Performance and Management Fees Payable to Underlying Managers; Layering of Fees: The management fee and profit sharing arrangements with third-party portfolio managers, as set forth in the associated governing documents, are expected to provide for payment to each underlying manager of a management fee based on assets under management, together with a fee based on the appreciation, (and in certain instances, unrealized appreciation) in the value of the account being managed, but would not be penalized for decreases in the value of the account or Fund, unless such decreases would offset gains. These fees paid to underlying managers are in addition to fees paid to Apogem or an Apogem affiliate. Performance fees or profit sharing are calculated deal-by-deal, annually, or at/near the term of the Client's engagement of the underlying portfolio manager. Such agreements often contain carry forward losses to subsequent years in determining the profit share for such years. Performance incentives give underlying managers an incentive to engage in transactions that are unduly risky or more speculative than would be the case in the absence of such compensation arrangements. Also, performance allocations will potentially be received by certain underlying managers, even though the Client, as a whole, incurred a net loss. The fees and allocations to be received by us, the general partner and the underlying managers cannot be ascertained in advance. The separate fees and allocations to be received by us and the general partners of our Funds will result in a layering of fees and allocations, which reduces the yield which investors derive from the Client's investments.
- Investments in Distressed/Turnaround Transactions: We invest directly or indirectly in securities of financially troubled companies or companies involved in workouts, liquidations, reorganizations, recapitalizations, bankruptcies and similar transactions and securities of highly leveraged companies. While these investments offer the potential for high returns, they also bring with them correspondingly greater risks. It is possible that the financial difficulties of a portfolio company will not be overcome, which will likely cause the portfolio company to become subject to bankruptcy proceedings. A bankruptcy filing will potentially adversely affect a portfolio company in that it would likely lose market position or key employees. In addition, under certain circumstances, payments by a portfolio company to the Underlying Fund and distributions by the Underlying Fund to the Client will be recalled if such payment or distribution is determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy or insolvency laws. Furthermore, investments in a portfolio company involved in restructurings or reorganizations are often adversely affected by bankruptcy or insolvency laws or by a bankruptcy court's discretionary power to disallow,

subordinate or disenfranchise particular claims or rights with regard to such portfolio company. Upon confirmation of a plan of reorganization or as a result of a liquidation proceeding under applicable bankruptcy laws, the Underlying Fund will potentially suffer a loss of all or part of its investment in the portfolio company.

- Investments in Secondaries: The success of the secondary investments will depend on the ability of our investment professionals to identify suitable investments and negotiate the purchase of these investments at a price and on terms acceptable to the Client. There are no assurances that there will be enough suitable investment opportunities to enable the Client to invest all its committed capital in opportunities that satisfy the Client's investment objective, or that such investment opportunities will lead to completed investments by the Fund or Managed Account. Additionally, identification of attractive investment opportunities generally will be subject to market conditions. The Fund or Managed Account will also likely face increasing competition for such opportunities over time. There are no assurances that once an investment opportunity is identified the seller will select the Client to make an investment. Further, even if the Client is selected, there are no assurances that the investment will still be deemed an appropriate investment opportunity for the Client after due diligence is completed.

In certain situations, the opportunity to acquire a portfolio of investment funds from a seller will be on an "all or nothing" basis. Certain of the investment funds in the portfolio will be less attractive than others, and certain of the sponsors of such investment funds will be more familiar to us than others, or more experienced or highly regarded than others. In such cases, it will not be possible for us to exclude from such purchases those investments which we consider (for commercial, tax, legal or other reasons) less attractive.

In addition, in cases where Apogem acquires an interest in an investment fund in a secondary transaction, the Client acquires contingent liabilities of the seller of the interest. More specifically, where the seller has received distributions from the relevant investment fund and, subsequently, such investment fund recalls one or more of these distributions, the Client (as the purchaser of the interest to which such distributions are attributable and not the seller) will likely be obligated to return monies equivalent to such distributions to the investment fund. While the Client will sometimes, in turn, make a claim against the seller for any such monies that have been paid to the investment fund, there are no assurances that the Client would have the ability to make such a claim or if such a claim is made there are no assurances that the Client would prevail on such claim.

- Continuation Funds and GP-Lead Secondary Transactions: Certain Clients will potentially have the ability to participate in one or a number of investments into continuation vehicle transactions or fund recapitalizations which will likely involve the sale or transfer of a single underlying company or investment fund, or a portfolio of assets. Clients will in some cases choose (or be chosen) to participate in any such investment as a lead investor which will typically result in the Client holding the majority of the Interests in such a vehicle. As a result, in the event that a single underlying asset performs poorly, all returns will potentially be adversely affected. While Clients are often given the opportunity to negotiate and make bids for such processes, especially given the recent increase in popularity with these types of transactions, the Client will not necessarily achieve the best legal or economic terms due to the competitive nature of these processes.
- Concentration Risk: Although, in general, the Client's portfolio will have concentration guidelines, a portfolio will include a small number of large positions. While this portfolio concentration will typically enhance total returns to the Client, if any large position has a material loss, then returns to the Client will potentially be lower than if they had invested in a more diversified portfolio. The Clients' investments will be concentrated in one type of investment fund. As a result, the Client's investment

portfolio will likely be concentrated, and its aggregate return will be adversely affected by the performance of a few holdings, a particular industry or an industry segment. Further, to the extent that capital raised is less than the targeted amount, the Client will invest in fewer investment funds and thus be less diversified.

- Commodity Natural Resource Investments: Investments in commodities such as natural resources are subject to a variety of risks, not all of which will be foreseen or quantified. For example, commodity prices are often extremely volatile, and the commodities industry is significantly affected by world events, import controls, worldwide competition, government regulations, and economic conditions, all of which impacts commodity prices. In addition, there are many uncontrollable factors that will likely affect commodities investments, including, but not limited to inflation, weather, political unrest, foreign events, regulations, supply and new technologies. Commodities such as natural resources are from time to time impacted in varying degrees by political developments and a wide range of statutes, rules, orders and regulations. For example, energy exploration, production, operations and economics are or have been impacted by price controls, taxes and other laws relating to the energy industry, by changes in these laws and by changes in administrative regulations. Further, environmental laws, regulations and regulatory initiatives play a significant role in certain commodities and will typically have a substantial impact on related investments. The Client(s) will invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.
- Highly Competitive Market for Investments: The business of identifying and investing in pooled investment vehicles, co-investments or secondaries is difficult due to a high level of investor demand for such funds and investment programs. Identifying attractive investment opportunities and fund managers is difficult and involves a high degree of uncertainty. Even if such fund managers are identified, there is no certainty that the Client will be permitted to invest in the funds they operate. Accordingly, there is no assurance that the Client will be able to locate suitable investment opportunities, achieve its return objective or fully invest its committed capital. The success of each Underlying Fund depends on the availability of appropriate investment opportunities and the ability of the Underlying Fund manager to identify, select, develop and consummate appropriate investments. The availability of investment opportunities generally will be subject to market conditions. There is no assurance that suitable investments will be available or selected by the Underlying Fund manager or that an Underlying Fund will be able to fully invest its committed capital within its investment period. To the extent that any portion of such committed capital is not invested, the Underlying Fund's potential for return will be diminished. Various investments are subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, will potentially result in the issuer's repaying the principal on an obligation held by such Fund earlier than expected. If early redemption of an investment occurs, we will typically not be able to reinvest the proceeds in a comparable investment.
- Negotiated Terms: It is anticipated that, in certain situations, some of our Funds will invest alongside our other Clients and obtain special economics or other favorable terms that would not have been available to the Funds in the absence of the commitments made by our other Clients. In circumstances where we deem it appropriate, we are authorized to allocate all, or a portion of the benefits associated with the special economics to our other Clients on a basis that is disproportionate to the amounts committed.
- Access to Information from Underlying Funds and Passive Interest Risk: As an investor in the Underlying Funds, the Client will receive periodic reports from such Underlying Funds, generally at the same time as any other investor in such Underlying Funds. We will request detailed information on a continuing basis from each Underlying Fund manager or sponsor regarding its investment strategies

and investments and expects to have a representative on the advisory boards of a majority of the Underlying Funds or investments. However, we will not always be provided with detailed information regarding all of the investments made by an Underlying Fund for a variety of reasons, including that the information will be considered confidential. This lack of access to information will typically make it more difficult for us to evaluate the Underlying Funds and their managers.

Clients will generally not have any right to participate in the day-to-day management of the entities in which they invest. The valuation of an entity's assets will be controlled by its respective general partners, managing members or other management, and the Clients will likely have limited access to quarterly and annual reports, financial statements, and other information.

- Valuation Limitations: The majority of our private equity investments are in the form of securities for which market quotations are not readily available. Our valuations of a Client's investments are determined on the basis of a good faith assessment of the fair value of the assets. There is no single standard for determining fair value in good faith and, in many cases fair value is best expressed as a range of fair values from which a single estimate will be derived. The types of factors that are considered when applying fair value pricing to an investment in a particular company or asset include historical and projected financial data, valuations given to comparable enterprises, the size and scope of an entity's operations, the strengths and weaknesses of an enterprise, expectations relating to investors' receptivity to an offering of ownership interests in the entity, the relative size of the holding in the investment and the control or lack of control stemming from that size, information with respect to transactions in respect of, or offers for, ownership interests in the entity (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realizable value of any collateral or credit support and other relevant factors. Fair values are typically established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Since valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, fluctuate over short periods of time and are based on estimates, determinations of fair value will typically differ materially from the values that would have resulted if a liquid market for such investments had existed. Even if market quotations are available for any of the Client's investments, such quotations typically do not reflect the value that would actually be realizable owing to various factors, including the possible illiquidity arising from the holding of a majority ownership position by a third party, subsequent illiquidity in the market for an entity's securities or other ownership interests, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall and management performance. The value of an Interest in a Fund will be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

With respect to Underlying Fund investments, we generally use the valuations provided by underlying managers after determining in good faith that such valuations best approximate fair value. If we observe issues or have concerns with the valuation methodology employed or the resulting valuation provided by the manager of an Underlying Fund, we typically decide not to use the valuation in that particular instance. If we do not accept such valuation, we will value that investment based on its good faith determination of its fair value as of the reporting date of the applicable Underlying Fund.

- Use of Leverage and Credit Facilities: Certain Funds are authorized to make use of leverage in connection with their investment programs. In most cases, this is limited to credit facilities that are only used to delay the date on which the investor capital is called, and they are not used to lever the Fund. To secure the loan, the Fund has likely pledged its assets or ability to call capital to the lender as

collateral. In general, the maximum amount of loans outstanding at any time varies by Fund and is generally limited to between 15% and 30% of the aggregate investor commitments in such Fund. The risks associated with such a loan include interest expense risk, and in the unlikely event that the value of the collateral was to decline significantly, the Fund will most likely be forced to liquidate its assets to satisfy the loan. Additionally, leverage generally magnifies both the opportunities for gain and risk of loss. The use of leverage also will result in interest expense and other costs to the Fund that are not covered by distributions/interest paid to the Fund and typically result in unrelated business taxable income. In addition, the Underlying Funds and the portfolio companies of the Underlying Funds are typically leveraged, which will cause them to be adversely affected by increases in interest rates and make them less able to cope with changes in business and economic conditions such as declining revenues or increasing interest rates.

The securities acquired by the Underlying Funds are usually the most junior in what is typically a complex capital structure of a portfolio company, and in that event such securities will thus be subject to the greatest risk of loss. The use of a credit facility (or other Fund-level leverage) with respect to investments generally result in a higher or lower reported gross IRR and net IRR at the Fund-level than if such subscription facility (or other Fund-level leverage) had not been used and instead the investors' capital had been contributed at the inception of each such investment. This is due to the fact that calculations of gross IRR and net IRR are based on the period of time between (a) the date of limited partner contributions for a relevant investment (and not the date the investment was made) and (b) the date of distribution from the applicable Fund or account to investors. Therefore, if a subscription facility is used to fund an investment, capital is normally called more slowly from the limited partners to repay such borrowings, which shortens the time between such contribution and distribution and consequently increases or decreases gross IRR and net IRR. Additionally, early in a Fund or account's life, the use of a subscription-based credit facility usually causes the amount of invested capital to exceed drawn capital.

Our Funds, consistent with common industry practice, allow for an investment manager to make commitments to investments in excess of the total commitments made by investors to a Fund. This over-commitment strategy makes it more likely that these Funds will face a liquidity shortage if distributions and other cash resources are less than their cash needs, whether attributable to delays in realizations of investments, defaults by their partners or other reasons. If our Funds are unable to borrow, establish sufficient reserves, or otherwise raise funds to meet their obligations in order to make capital contributions when due to any of their underlying investments, they are normally subject to significant penalties under the terms of the underlying investment's governing documents, which usually have a material adverse effect on the value of their respective investment in such Underlying Fund, and their overall financial condition.

- Investments in SBICs: Apogem's investments in SBICs are made through Insurance Dedicated Funds ("IDFs"). IDFs have certain structural requirements, such as diversification requirements and limitations on communications with certain stakeholders. Policy owners of variable life insurance and variable annuity contracts issued by investors in our IDFs that allocated a portion of their investment in such separate account to our IDFs have no right to communicate with or direct our investment policies or decisions relating to the IDF. Any such communications will likely result in such policy owners being considered the owner, for federal income tax purposes, of the assets of the IDF, and adversely impact the tax benefits of the IDF for such policy owners. The tax benefits of the IDFs for the policy owners will not typically be available if the investment methodology of the IDFs does not satisfy the diversification rules under the internal revenue code and its regulations with respect to insurance dedicated funds, including the risk that if these IDFs fail to meet such diversification rules, such policy owners are no longer able to hold tax-deductible reserves for their policies, and policy owners would be subject to current taxation on the annual earnings of their respective separate account.

Additionally, upon admission to an IDF, the entire amount of the investor's commitment will be drawn down, invested in a liquid portfolio, then invested in the strategy over time. Therefore, the returns to an investor are usually lower than the returns to an investor who is directly invested in the strategy and/or who is not limited by such diversification rules. SBICs are subject to various requirements imposed by the SBA. In the event of an SBA-imposed liquidation of any SBIC pursuant to applicable law, the SBA's interest will be senior in priority for all purposes to all other interests, including the interests of the IDF as a limited partner in such SBIC. The SBA will generally restrict an SBIC's ability to make distributions if the SBA determines that the value of the SBIC's assets is materially overstated. Additionally, an IDF typically has a stable value wrapper issued by a third party. The stable value wrap issuer usually exercises certain discretionary rights which impacts the IDF. Please see the relevant offering materials for more information.

Additional Risks Related to Investing in CLOs

Set forth below is a summary of the risks presented by our CLO investment strategies. The following list is not a complete list of all risks involved relating to these strategies. CLO investing involves substantial risks and, therefore, should be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents. CLO investing involves risk of loss, including risk of loss of the entire investment that Clients should be prepared to bear.

- Non-Investment Grade Middle Market Loans: Our CLOs invest primarily in non-investment grade middle market loans, which are subject to liquidity, value, credit, repricing, default, recovery, interest rate, reinvestment and certain other risks. Non-investment grade middle market loans generally will be subject to greater risks than investment grade corporate obligations. These risks are usually exacerbated to the extent that the portfolio of a CLO is concentrated in one or more particular types of non-investment grade middle market loans. Such concentrations would potentially subject CLO investors to a greater degree of risk with respect to defaults by borrowers, and any such concentration of a CLO's portfolio in any one industry or region typically subject CLO investors to a greater degree of risk with respect to economic downturns relating to such industry or region.

Borrowers of non-investment grade middle market loans are normally highly leveraged and do not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, unconventional extreme economic conditions, deflation, inflation, an increase in commodities prices, or a period of fluctuating exchange rates, such borrowers are more likely to experience financial stress and be unable to meet their debt obligations due to the borrower's inability to meet specific projected business forecasts or the unavailability of financing. All risks associated with a CLO's investment in such borrowers will be borne by the CLO investors. In addition, non-investment grade middle market loans will typically have default rates or recovery rates that differ from (or are better or worse than) broadly syndicated loans or investment grade securities.

- Certain CLO Conflicts of Interest: CLO investors should note that (i) we serve as the collateral manager for all of our CLOs, (ii) all loans acquired by our CLOs will be sourced by us and substantially all of these loans are expected to be sold to the CLO by our affiliate Madison Capital, and (iii) the acquisition price paid by each of our CLOs to acquire each loan sold to it by Madison Capital will be determined based solely on our current senior loan transfer and valuation policy, which indicates that acquisition prices will not be based on or calculated in accordance with generally accepted accounting principles and will not be determined using third-party valuations or observable market data.
- European Risk Retention: In Europe, risk retention and due diligence requirements (the "EU Risk Retention and Due Diligence Requirements") apply in respect of various types of European Union

regulated investors. Among other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitizations unless the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis a material net economic interest in the securitization of at least 5% (the “EU Retention Interest”), determined in accordance with the methodologies set out in the EU Risk Retention and Due Diligence Requirements and is able to demonstrate that the investor performed certain due diligence with respect to its investment. Failure to comply with one or more of the requirements will potentially result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the notes acquired by the relevant investor. These requirements and any other changes to the regulatory treatment of securitizations will likely negatively impact the regulatory position of certain investors. In addition, such regulations will likely have a negative impact on the price and liquidity of the notes offered by a CLO in the secondary market. An affiliate of Apogem holds the EU Retention Interest in our CLOs subject to the EU Risk Retention and Due Diligence Requirements and makes a commitment and undertaking as to compliance with the EU Risk Retention and Due Diligence Requirements. There are no assurances as to whether the EU Risk Retention and Due Diligence Requirements will be amended or altered by a change in law or regulation.

Other Risks

- **Regulatory Risks/Enhanced Regulation of the Private Funds Industry:** There is the potential that recent and future legal and regulatory changes, including the implementation of the SEC private funds adviser rules, will adversely impact Apogem and our Clients. The regulation of U.S. and non-U.S. financial markets has undergone substantial changes in recent years and such changes will likely continue. The prospective effect of such new regulations on Clients will potentially be substantial and adverse and subject Clients to increased fees and expenses. Laws and regulations will sometimes change quickly and unpredictably in a manner adverse to the Clients’ interests. As a result, Apogem and/or its Clients will potentially be subject to unduly burdensome and restrictive regulations. The financial services industry and the activities of private funds and their managers in particular have been subject to increasing regulatory scrutiny. Such an environment promotes the possibility of the exposure of Apogem and its Clients to potential liabilities and additional legal, compliance and other related costs that, as a result, adversely affect the ability of Clients to achieve their investment objectives.
- **Regulation, Enforcement, and Litigation:** The U.S. and international governments and the public are focusing increased attention on the asset management industry and its practices. Regulation generally, as well as regulation more specifically addressed to the asset management industry, whether in the U.S. or outside the U.S., has the potential to adversely impact the profitability and the cost of operations. Additional regulation will likely also increase the risk of third-party litigation. The nature of our business exposes Apogem and the Funds generally to the risks of third-party litigation and regulatory enforcement. Apogem and the Funds are subject to U.S. and international regulations which increases the risk of regulatory examination, investigation, enforcement action and third-party litigation. There is no assurance that Apogem, its affiliates, or the Funds will avoid regulatory examination, investigation, enforcement action or third-party litigation or adverse publicity relating to such a proceeding.
- **Business Interruptions:** Our investment advisory activities or operations will potentially be interrupted or adversely affected by extraordinary events, emergency situations or circumstances beyond our control, including, without limitation, outbreaks of infectious diseases, pandemics or any other serious public health concerns war, terrorism, failure of technology, accidents, disasters, government macroeconomic policies or social instability. In order to mitigate the effects of these types of events, we would likely activate our business continuity and disaster recovery plans. These plans, for example, require our employees to work and access our information technology, communications or other

systems from their homes or other remote locations. However, there is a possibility that our business continuity and disaster recovery plans will not be successful, or that we are delayed in implementing or recovering our investment advisory activities or operations. For example, in certain circumstances, we have issues or delays in accessing our information technology, communications or other systems, which will possibly have a material adverse effect on our business.

- Public Health Crisis: Disruptions to commercial activity from any public health crisis, pandemic, epidemic or outbreak of a contagious disease relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) including, and in addition to, the Coronavirus (Covid 19), has the potential to adversely impact our portfolio investments, including by delaying or causing supply chain disruptions or by causing staffing shortages. The U.S. government, various state and local governments and many non-U.S. governmental authorities have previously implemented, and potentially will implement in the future, enhanced screenings, quarantine requirements and business and travel restrictions, both domestically and internationally, in connection with an outbreak of a contagious disease. Such actions will likely create disruption in global demand and supply chains and contribute to significant volatility in financial markets, including changes in interest rates. These actions will adversely impact a wide range of different industries. The imposition of travel restrictions and other government policies will impact our ability to travel in connection with potential or existing investments or to our offices, which will likely negatively impact our ability to effectively identify, monitor, operate and dispose of investments. The impact of a public health crisis is difficult to predict, which presents material uncertainty and risk with respect to our performance.

Moreover, portfolio investments are affected by other force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, governmental policies and social instability), which, will potentially have an adverse impact on global, national and local economies, which in turn will possibly have a negative impact our investments and strategies. Some force majeure events will contribute to, and will likely continue to contribute to, volatility in financial markets, including market liquidity and changes in interest rates. Furthermore, force majeure events that are incapable of being, or are too costly to be, cured will likely have a permanent adverse effect on our portfolio investments. Certain force majeure events will likely have a broader negative impact on the world economy and international business activity generally, or in a country in which one of our strategies has invested specifically. Any of the foregoing will therefore potentially have an adverse effect on the performance of our strategies and investments, as well as our investment advisory activities or operations.

- Technology and Cybersecurity Risks: As part of its business, Apogem processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Clients and personally identifiable information of the investors. Similarly, service providers, especially the administrator of a Client, will process, store and transmit such information. We have procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used by governments, nation states, terrorist organizations, and external and internal bad actors to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and will potentially be difficult to detect for long periods of time. Hardware or software acquired from third parties are likely to contain defects in design or manufacture or other problems that would potentially unexpectedly compromise information security. Network connected services provided by third parties to Apogem have the potential to be susceptible to compromise, leading to a breach of our network. Our systems or facilities are technically susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by us to the investors also have the potential to be susceptible to

compromise. Breach of our information systems will possibly cause information relating to the transactions of Clients and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

Our service providers and Clients are subject to the same electronic information security threats that we are. 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 the Clients and personally identifiable information of the investors will potentially be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of our or the Clients' proprietary information will possibly cause us or the 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 will potentially have a material adverse effect on Clients and the investors' investments therein.

- Environmental, Social, Governance ("ESG") Risks: Apogem considers ESG risks and value creation opportunities during its due diligence, investment decisions, and investment monitoring, to the extent reasonably practicable (*e.g., there will potentially be limitations based on access to ESG information*) and consistent with our fiduciary responsibilities. Considering ESG factors in our investment process will potentially have a material impact on the value creation opportunities throughout the investment and post-investment period.

An investment transaction's ESG profile and risks is only one of a number of factors Apogem considers when evaluating managers and investments, and such ESG considerations are not determinative of any selection of a manager or investment. While we seek to employ a consistent approach to the analysis of ESG factors, due to the breadth of our investment activities, procedures vary and will potentially not be applicable in certain cases. There is no guarantee that a portfolio's investments for which Apogem conducts ESG due diligence will not have ESG issues or will be effective in achieving any direct or indirect ESG objective. Given the nature of our investment strategies as a passive investor, minority shareholder, or lender, we note that we will typically have limited rights to influence and control the incorporation of ESG considerations into an investment's operation. As a fiduciary and a registered investment advisor with the SEC, we have a duty to act in the best interest of our Clients. Notwithstanding the objectives of our ESG practices, investment decisions will be made consistent with our fiduciary duties and contractual obligations we owe to our Clients.

- LIBOR Discontinuation Risk: The London Interbank Offering Rate ("LIBOR") is intended to represent the rate at which contributing banks are able to obtain short-term borrowings from each other in the London interbank market. The terms of floating rate loans, financings or other transactions in the U.S. and globally have been historically tied to LIBOR, which functions as a reference rate or benchmark for various commercial and financial contracts. The regulatory authority that oversees financial services firms and financial markets in the United Kingdom, the Financial Conduct Authority, decided that a majority of LIBOR settings will no longer be published or no longer be representative of the economic reality the LIBOR setting is intended to measure after June 30, 2023. In addition, the U.S. Federal Reserve has instructed U.S. banks to stop writing new contracts using LIBOR and has instructed that all contracts using LIBOR should wrap up by June 30, 2023. As a result of these governmental actions, LIBOR will no longer be available or no longer deemed an appropriate reference rate upon which to determine the interest rate on or impacting certain loans, notes, derivatives and other instruments or investments comprising some or all of the Client's portfolio after the relevant date for that LIBOR tenor. The secured overnight financing rate ("SOFR") is a broad base measure of the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities. On December 16, 2022, the U.S. Federal Reserve adopted regulations implementing the

Adjustable Interest Rate Act, which provides a statutory fallback mechanism to replace LIBOR, by identifying benchmark rates based on SOFR that will replace LIBOR in different categories of financial contracts after June 30, 2023. There are significant challenges to converting certain contracts and transactions to a new benchmark and the effect of any changes to LIBOR or transition to SOFR or alternative rates will vary depending on a number of factors, many of which are currently uncertain, including the benchmark fallback provisions in individual instruments and how and when industry participants continue to develop and adopt alternative reference rates and fallbacks for both new and legacy instruments. Uncertainty regarding LIBOR or regarding the application or effectiveness of SOFR and other alternative rates will potentially lead to increased volatility and illiquidity in markets for instruments with terms tied to LIBOR, SOFR or other alternative rates.

These developments have the potential to negatively impact financial markets in general and present heightened risks, and a result of this uncertainty and developments relating to the transition process, investments will potentially be adversely affected.

- Market Event Risk: Market risks include political, regulatory, market and economic developments, including developments that impact specific economic sectors, industries or segments of the market, which will potentially affect an investment portfolio's value. Turbulence in financial markets, tariffs and other protectionist measures, political developments and uncertainty, central bank policy, and reduced liquidity in equity, credit and fixed income markets will likely negatively affect many issuers worldwide, which will potentially have an adverse effect on Apogem, its Clients and any underlying portfolio investment's performance. During a general downturn in the securities markets, multiple asset classes will potentially be negatively affected. Geopolitical and other events, including war, terrorism, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and in the future will likely lead to disruptions in the US and world economies and markets, which will potentially increase financial market volatility and have significant adverse direct or indirect effects on the performance of Apogem's investments. Market disruptions will potentially cause investments to lose value, experience significant redemptions, and encounter operational difficulties. Although multiple asset classes will potentially be affected by a market disruption, the duration and effects will likely not be the same for all types of assets.

ITEM 9 – DISCIPLINARY INFORMATION

We are not aware of any legal or disciplinary events involving the firm or its management persons that are material to the advisory business or the integrity of our management.

Please see our Form ADV Part 1, Item 11 and accompanying Disclosure Reporting Pages for disclosure about disciplinary information related to New York Life, an advisory affiliate of Apogem.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Apogem is part of a group of affiliated companies engaged in various financial service businesses. In certain cases, Apogem has business arrangements with our related companies that are material to our advisory business or to our Clients. These material business arrangements are described below.

A. Broker Dealers

NYLIFE Distributors is our affiliate and is registered with the SEC as a broker-dealer (File No. 8-46655) and is a member of FINRA. Certain employees of Apogem are registered with FINRA as representatives and/or principals of NYLIFE Distributors. By virtue of their FINRA registrations, these employees have the ability to sell Interests in our Funds to investors. These Funds are not required to be registered with the SEC as investment companies nor are they offered pursuant to an SEC-registered offering.

Apogem and other affiliated investment advisers have entered into an agreement with our affiliated broker-dealer, NYLIFE Distributors, to serve as a placement agent for our private Funds. In connection with these arrangements, we will typically pay a fee and transaction-based compensation to NYLIFE Distributors as compensation for the efforts of the registered employees of our affiliated investment advisers in selling or promoting the sale of Interests in our private Funds.

Employees of Apogem who are registered with FINRA as representatives are able to sell interests in the funds of our affiliated investment advisers. Although transaction-based compensation is not paid to employees of Apogem who sell our Funds or affiliated investment funds, if at such point this changes and the compensation received for selling an affiliated investment fund is higher than the compensation received for selling our Funds, an employee will have an incentive to recommend the affiliated investment funds, rather than our Funds. Apogem has adopted policies and procedures that it believes are reasonably designed to address these conflicts of interest. For example, disclosure of the conflicts is provided to prospective investors of our Funds, and our employees who are registered representatives of NYLIFE Distributors receive training regarding sales practices and are only permitted to recommend investments in investment funds if they believe they are suitable for the investor.

From time to time, we will enter into arrangements with our affiliated investment advisers to recommend investors and clients to each other. If Apogem pays a cash fee to anyone for soliciting clients on its behalf (such persons, “promoters”) or if we receive a cash fee from another investment adviser for recommending clients to it, Apogem will comply with the requirements of Rule 206(4)-1 under the Advisers Act (the “Marketing Rule”) to the extent that they apply. Subject to certain exemptions, the Marketing Rule requires a written agreement between the investment adviser and the promoter and that the promoter provide clear and prominent disclosures concerning the identity of the promoter, the nature of the compensation and applicable conflicts of interests to the potential client at the time that the solicitation is made. As required by the Marketing Rule, except for uncompensated or “de minimis” compensation (as defined in the Marketing Rule) arrangements, we will not engage a promoter if that person has been subject to securities regulatory or criminal sanctions within the preceding ten years.

Outside of selling Funds to our Clients and other investors, we do not use broker-dealers that are affiliated with Apogem in executing securities transactions for our Clients.

B. Investment Advisers

Apogem has service agreements in place with New York Life Investment Management LLC (“NYLIM”), an affiliated investment adviser registered with the SEC (File No. 801-57396), under which a branch office of NYLIM in Korea provides certain services including, but not limited to, market research, translation

services, and client and investor relationship services. Fees paid by Apogem to NYLIM for any such services are not charged to Client accounts.

Apogem has service agreements in place with the Japan branch of New York Life Investment Management Asia Limited (the “Japan Branch”), an affiliate, under which the Japan Branch provides certain services including, but not limited to, market research, translation services, client and investor relationship services, investment management services, and advisory services. Fees paid by Apogem to the Japan Branch for any such services are not charged to Client accounts.

Candriam S.C.A. (“Candriam”) is an affiliate of Apogem. Candriam is registered with the SEC as an investment adviser (File No. 801-80510). Candriam and its affiliates serve as a placement agent for Apogem in certain countries outside of the United States for certain Apogem Funds. For these services, Apogem pays placement fees to Candriam, and will likely pay such fees in the future.

Aside from the arrangements described above, our investment management and operations functions and those of our affiliates are generally autonomous and operate separately from each other. This arrangement is intended to limit the dissemination of material non-public information and to permit the investment management, trading and operations functions of each firm to operate without regard to or interference from the other. If we share information with, or receive information from, certain of our advisory affiliates in connection with prospective or existing investments in the private market, appropriate controls are implemented with respect to the exchange of such information in order to limit potential conflicts of interest and to ensure that the sharing of such information does not violate our internal information barrier policy or contravene applicable law or regulation.

C. Pooled Investment Vehicles

Apogem serves as investment manager to private funds that are exempt from registration as investment companies under the 1940 Act. With limited exceptions, the general partners of our private Funds are affiliates. In many cases, our employees and certain of our affiliates also invest in the general partners or managing members of these private funds and share in the performance-based compensation (known as carried interest) earned by such general partners. Loans are sometimes provided, at an arms-length interest rate, to certain of our senior employees in order for them to fund a portion of their investment in the general partners or managing members.

We serve as a co-adviser to a private fund (the “GP Stakes Fund”) in which New York Life is a seed investor. OA Private Capital (“OA”) also serves as a co-adviser to the GP Stakes Fund, as described in Section F below. The GP Stakes Fund seeks to achieve income and capital appreciation through minority equity ownership stakes in established private equity sponsors (“Investee Managers”) operating in the middle market. Apogem’s Clients invest in funds managed by Investee Managers in which the GP Stakes Fund has an ownership interest. The GP Stakes Fund also invests in Investee Managers that manage funds in which Apogem’s Clients are invested. Additionally, Apogem has and is likely to have in the future, loan arrangements with portfolio companies of the asset managers in which the GP Stakes Fund holds an ownership interest.

Some of our affiliates are Managed Account Clients. These Managed Account Clients have been, and in the future will likely be, solicited to invest in the Funds we manage or in other similar Funds we will likely form. Investors that are not otherwise our Clients will also potentially invest in our Funds.

Additional affiliates of Apogem serve as special limited partners and special general partners to Funds for various tax or legal reasons.

D. Insurance Companies

Apogem is a subsidiary of New York Life. New York Life was founded in 1845 and is one of the largest life insurance companies in the United States. We leverage the resources and services of our affiliates, including New York Life, for certain key functions, including certain legal, compliance and other support functions. Apogem is a party to a service agreement with New York Life, in which New York Life provides us services, including legal, compliance (including compliance with the SEC's Rule 206(4)-7), and other services for which we are billed.

Apogem, pursuant to investment management agreements, serves as investment manager for separately managed accounts of New York Life and its affiliates, Madison Capital and New York Life Insurance and Annuity Corporation ("NYLIAC"). Apogem also invests these affiliates' capital in the limited and general partner Interests of the Funds that we manage. Assets managed on behalf of New York Life, Madison Capital and NYLIAC, both through separately managed accounts and as investors in Funds, represent a substantial portion of our assets under management. Apogem's Direct Lending business, is primarily funded through equity and debt financing provided by New York Life, NYLIAC and their affiliate, Life Insurance Company of North America through Madison Capital.

E. Material Relationships or Arrangements with Industry Participants

Our members (or their affiliates), officers, and employees serve on advisory boards of other investment advisers. Certain of our Fund's investment committees will potentially have independent members who are not employees of Apogem. In recognition of such persons limited, yet substantive, engagement with Apogem, all such persons will likely be subject to some level of risk-based oversight which will potentially range from periodic certifications to New York Life's full Code of Ethics and conflicts of interest reporting and disclosure regime. Additionally, we have not invested, and will not invest in the future, in any private funds managed by or affiliated with an independent member of their investment committees. Our employees typically serve on certain boards of directors, executive committees, credit committees, or, occasionally, in other management capacities, at companies in which the Clients invest, either directly or indirectly. Serving in such a capacity exposes such employee, and by association Apogem and our Clients, to certain limitations on the ability to trade the securities of the issuer company and certain conflicts of interest. As a result of such service, an employee will likely become aware, from time to time, of material non-public information about the company in which a Client invests, and the employee's knowledge is likely to be attributed to Apogem and/or its affiliates and the Client; therefore, a Client's ability to trade the securities of such company will become substantially restricted and potentially limited to such times as company insiders are permitted to do so. Such limitations are likely to cause a Client to forgo sales that it would otherwise make, thereby exposing the Client to losses, or to forgo purchases, thereby exposing the Client to lost opportunities. We (and our affiliates and Clients) are also subject to Section 16 of the Securities Exchange Act of 1934, as amended, including the disclosure requirements, the restrictions on purchases and sales, and the disgorgement of profits in certain circumstances. An employee serving as a director of a company owned, directly or indirectly, by a Client also faces a conflict between the fiduciary duties owed by such employee to the Client and the duties owed to such company. In such circumstances, an employee will likely act in ways that are in the best interests of such company but not the Client. We maintain internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise and intend to prevent employees from taking such positions when, in our determination, the potential risks to the Client outweigh the potential benefits. However, there is no assurance that permitting the board membership of an employee will not result in less favorable results for the Clients than if the employee was not permitted to serve in such capacity.

We serve as the general partner of, or the investment adviser to, and directly manage the assets of, Clients with similar investment objectives. Notwithstanding that the investment objectives of two or more Clients

will potentially be similar, we will potentially give advice or take action with respect to any such Client that differs from the advice given or actions taken with respect to the other such Clients.

Our officers and employees typically have close relationships with senior executives of public or private companies, or of private equity sponsor firms that own or seek to acquire such companies and manage the investment funds in which we invest. Such senior executives will potentially seek to exert influence on us to invest in such companies or investment funds or give us information that is not publicly known. Thus, Apogem and our respective partners, officers, or employees sometimes receive material non-public information with respect to such publicly traded or private companies which will possibly restrict our Clients from trading in such companies for an extended period of time. We have adopted detailed policies and procedures which detail how the receipt of material non-public information is managed.

F. Material Conflicts of Interest Relating to Other Investment Advisers

While Apogem selects investment advisers for certain Clients (as disclosed elsewhere in this brochure), we do not receive direct or indirect compensation from those investment advisers related to our selection. Rather, we are solely compensated by investors in the Funds and our Managed Account Clients.

Members, officers and employees of third-party investment managers and portfolio funds in which the Clients invest maintain personal investments in some of our Funds.

Our officers and employees have become advisory board members of funds or portfolio companies in which the Clients invest as a result of such investment. Although we believe that these positions are consistent with each respective Client's investment strategy, and are generally beneficial to it, an advisory board member's duty to the third-party fund or portfolio company will conflict with the interests of our Clients in some circumstances.

Apogem and Candriam have an ownership interest in Kartesia Management SA ("Kartesia"), a European private credit investment manager focused on providing financing to middle-market companies in Europe. While Kartesia's focus is similar to Apogem's direct lending strategy, we do not believe there is geographic overlap in these strategies at this time.

As noted in Section C above, Apogem serves as a co-adviser to a GP Stakes strategy, including the GP Stakes Fund, through which it makes investments in Investee Managers. Investee Managers receive a management fee, carried interest, portfolio company remuneration and/or other compensation in connection with its management of, or services to, a pooled investment vehicle and/or portfolio investments of a pooled investment vehicle, a portion of which, where applicable, will be received by the GP Stakes Fund in its capacity as an investor in the applicable Investee Managers. Accordingly, an Investee Manager will potentially have interests that are adverse to and/or competitive with Apogem or Apogem Clients, and/or their underlying portfolio investments or their respective affiliates.

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

Apogem operates under a Code of Ethics (in accordance with Rule 204A-1 under the Advisers Act) and a single set of written policies and procedures (in accordance with Rule 206(4)-7 under the Advisers Act).

Code of Ethics and Personal Trading

Apogem has a fiduciary relationship with our Clients that requires that we and our employees place the interests of our Clients first and foremost. Accordingly, our Code of Ethics (the “Code”) covers all employees and sets forth guidelines that promote ethical conduct generally. In addition to the Code’s policies regarding personal securities trading, the Code requires our employees to follow policies and procedures relating to the conduct standards of our Code including integrity and business conduct, conflicts of interest, inside information and information barriers, electronic communications and social media, gifts and entertainment, personal political contributions, and foreign corrupt practices. A copy of our Code is available upon request. Our contact information appears on the cover page of this brochure.

While we permit our employees to engage in personal securities transactions, as a company we recognize that these transactions often raise potential conflicts of interests. This is particularly true when they involve securities owned by, or considered for purchase or sale for, a Client account.

We address potential conflicts of interests in our Code by requiring that, with regard to investments and investment opportunities, our employees’ first obligation is to our Clients. Our Code requires that all of our employees adhere to the highest duty of trust and fair dealing. All employees: (i) must conduct their personal securities transactions in a manner that does not interfere with any Client’s portfolio transactions, or take inappropriate advantage of an employee’s relationship with a Client, (ii) are prohibited from trading while in possession of material, non-public information, (iii) are prohibited from engaging in short-term trading (the purchase and sale or sale and purchase within 30 days) of any mutual fund advised or sub advised by Apogem or an affiliate, and (iv) must certify annually to compliance with the Code and related policies.

Some provisions of our Code, particularly with respect to personal trading, apply only to Access Persons and Investment Personnel. Access Persons are defined as officers or directors of Apogem, or employees who have access to non-public information regarding any Client’s purchase or sale of securities, or who have non-public information regarding the portfolio holdings of any mutual fund that Apogem or an affiliate advises. Apogem currently considers all of its employees Access Persons. While certain exceptions apply, Access Persons:

- Subject to certain exceptions, are prohibited from purchasing or selling “Covered Securities” without pre-clearance through our Compliance Department. A Covered Security means any security defined in Section 202(a)(18) of the Adviser’s Act, except that it does not include: (i) transactions involving direct obligations of the US or UK Government; (ii) shares of open-end mutual funds; (iii) commercial paper; (iv) certificates of deposit; (v) bankers’ acceptances; (vi) interests in qualified state college tuition programs; (vii) government-sponsored enterprises fixed income securities (e.g., FNMA, FHLMC); (viii) variable rate demand notes (“VRDN’s”) and variable rate demand obligations (“VRDO’s”); (ix) high quality short-term debt instruments, including repurchase agreements and (x) cryptocurrencies or digital currencies, such as Bitcoin, Ethereum, Litecoin and Dogecoin, which are a virtual or digital representation of value. However, a virtual currency token offered in an initial or digital coin offering will be deemed a Covered Security for purposes of the Code and subject to preclearance requirements.

- Are not permitted to purchase and sell or sell and purchase the same (or equivalent) Covered Security within 60 days, without approval from our Compliance Department.
- Are prohibited from purchasing or selling a Covered Security on a day when there is a buy or sell order for a Client.
- Are prohibited from purchasing securities in initial public offerings or in connection with private placements except with the express written prior approval of our Chief Compliance Officer or designee.
- Are prohibited from participating in investment clubs.
- Must file quarterly reports and certifications of covered trading activity.
- Must, no later than 10 days after becoming an Access Person, submit an initial holdings and account report and certification.
- Must, no later than January 30th each year: (i) file an annual certification indicating that the Access Person has complied with the Code and Related Policies and (ii) file an annual holdings report or submit updated, complete brokerage statements and certify to their brokerage accounts as of year-end.
- Must pre-clear transactions in affiliated and single stock ETFs.
- Must hold affiliated ETFs for a period of seven calendar days.

Investment Personnel must adhere to the following additional restrictions. Investment Personnel are defined as employees who in connection with their regular functions participate in making recommendations regarding the purchase or sale of securities for Client accounts (i.e., portfolio managers, traders and analysts):

- Are prohibited from purchasing or selling securities (subject to a de minimis threshold) for their own account if such securities have been purchased or sold for a Client account in the prior seven days or reasonably expected to be purchased or sold for a Client account in the next seven days.
- Are prohibited from trading in options with respect to individual securities. Transactions in index options effected on a broad-based index are permitted.

Access Persons are only permitted to open brokerage accounts with a firm that provides the Compliance Department with an electronic feed of trade confirmations and statements. Exceptions to this requirement are limited and require the approval of the Compliance Department. If an exception is granted, duplicate statements and confirmations must be provided to the Compliance Department

In order to mitigate potential conflicts of interest with our affiliated investment advisers, we and our affiliated investment advisers operate independently of each other with respect to investment strategy, trading and operations. We are generally not privy to each other's information (*i.e.*, investment decisions, research, client information) that potentially raise conflicts of interest concerns. Specifically, we and our affiliated investment advisers have established information barrier policies designed to limit dissemination of material non-public information. We have adopted policies and procedures with respect to the containment and the use of confidential information within Apogem.

Participation or Interest in Client Transactions

In the ordinary course of providing investment advisory services, we are permitted to recommend that Clients purchase or sell securities or Interests in which we or our affiliates have a material financial interest. For example:

- New York Life and its affiliates, including Apogem, also invest in the Funds, including Funds that invest in the equity of borrowers whose loans are or will likely be held in Clients' portfolios. We have a conflict of interest in connection with these transactions since investments by our Clients will likely benefit us and our affiliates, officers and employees by potentially increasing the value of their investments in the borrower. Any investment by us on behalf of our Clients will be consistent with applicable law, our fiduciary obligations to act in the best interests of our Clients, and such Clients' investment objectives.
- We are permitted to recommend that our affiliates buy or sell securities that are also appropriate for the Funds that we manage. This likely leads to conflicts of interest between our affiliated Clients and non-affiliated Clients.
- We are permitted to invest the capital of affiliated accounts in the limited and general partner Interests of our Funds.
- The general partner of a Fund is allowed to be an affiliate. A number of our employees and certain of our affiliates also invest in the general partners of these Funds and share in the performance-based compensation (known as carried interest) earned by these general partners. In certain circumstances, we make loans at an arms-length interest rate to our senior employees in order for them to fund a portion of their investment in the Fund's general partners.
- Apogem has entered into, and in the future will likely enter into, strategic relationships pursuant to which we receive consulting fees and a share of a third-party sponsor's management fees and/or performance fees in connection with investments made with such sponsors on behalf of our Funds and affiliated Managed Accounts. In the event that we receive such fees, we will do so in accordance with the applicable agreements and regulations and make the appropriate disclosures in the context of each specific relationship, service or contract. Our Funds will likely invest in equity and mezzanine investments alongside sponsors in which we receive these fees; however, we do not have, nor do we expect to have, any voting rights or control with respect to a sponsor's decision with respect to these investments and our Funds do not pay management fees or performance-based fees to third-party sponsors in connection with investments they make.
- Certain of our officers and employees invest in our Funds and are entitled to receive a portion of the Funds' profits (known as carried interest). When an officer or employee is responsible for managing a Fund in which he or she has a personal investment (or is otherwise entitled to receive carried interest) and other Funds and Managed Accounts where he or she does not have a personal investment (or is not entitled to receive carried interest), such person has a conflict of interest that likely incentivizes the individual to:
 - allocate the most favorable investments to the Fund in which he or she is invested or otherwise entitled to share in the carried interest rather than allocate the investment to the Funds and Managed Account where he or she does not; or
 - allocate the less favorable investments to the Fund in which he or she is not invested or is not otherwise entitled to share in the carried interest in order to be able to acquire

favorable investment to the Funds and Managed Account where he or she is invested or is otherwise entitled to share in the carried interest.

- We are permitted to recommend investments to our non-affiliated Clients that our affiliated Clients also own.
- We are permitted to invest the assets of one of our Funds into another one of our Funds, which represents a conflict of interest. In certain circumstances, duplicative management and incentive fees will likely apply.

With respect to the conflicts that potentially arise when our mezzanine Funds invest in the mezzanine securities of a portfolio company when one of our existing equity co-investment Funds, or one or more of our affiliates has invested in the same portfolio company's equity securities, we note the following:

- The equity investments that Apogem makes on behalf of its Clients are passive minority co-investments alongside a control sponsor. Typically, it is the control sponsor, and not Apogem's equity co-investment fund and affiliated Clients, that engages in the upfront negotiations with lenders, oversees the management of the company post-closing, and leads any necessary restructuring efforts in the event that the company becomes troubled during the life of the investment. While we have the right to participate on behalf of our equity co-investment Funds and Clients in a restructuring once it has been negotiated between the control sponsor and the lenders, we typically do not direct or control these restructuring activities.
- Additionally, in those instances where both Apogem mezzanine and equity co-investment Funds are investors in a particular portfolio company, we will ensure that there is either a third-party mezzanine provider involved in the transaction (to confirm that the mezzanine investment has been made on market terms) or we will bring that transaction to the advisory committee of our mezzanine Fund, except when no more than 10% of our mezzanine Fund's aggregate capital commitments (excluding any portion of such co-investments in equity securities) are invested in such transactions. We intend to obtain third-party validation or the approval of our mezzanine Fund advisory committee for investments when this exception is used as timing allows. The voting members of the advisory committee for our mezzanine Fund are comprised of non-affiliated third-party investors.
- Following the making of an investment where our mezzanine Fund or a Client that invests through a mezzanine strategy, on the one hand, and equity co-investment Funds, on the other hand, are investors in the same portfolio company, if the company becomes distressed, our investment teams will disengage from collaborative discussions and separately review and determine what it believes is the best course of action for each Client. If appropriate, separate counsel or restructuring experts will also be hired.

Apogem has a financial interest in the Funds and receives a management fee and in some cases a performance-based fee or allocation for its services to the Funds (as disclosed elsewhere in this brochure). Certain of our affiliates, officers and employees have investments in one or more of the Funds and, as such, have a financial interest in the Funds. The fact that we have a financial interest in our Funds creates a potential conflict of interest in that has the chance of causing us to make different investment decisions than if we did not have such a financial interest. Further, as noted in Item 6, the fact that we do and will likely receive performance-based compensation creates a potential conflict of interest in that it creates an incentive for us to make more speculative investments than we might otherwise make. In addition, our and our affiliates' principals and employees' affiliates directly or indirectly own an Interest in our Funds, including through certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles will likely invest in one or more of the same portfolio companies as the Funds, subject to any restrictions set forth in the applicable partnership agreements.

Our and our affiliates' officers and employees are permitted to buy and sell, for their own account or for the account of Clients, currencies, securities, and other financial instruments, in each case of the same or a similar type to those bought or sold on behalf of the Clients. Furthermore, there have been instances whereby our principals have made direct investments in financial instruments that were also financial instruments held in a fund managed by an underlying portfolio manager.

Apogem and its affiliates give advice and recommend the purchase or sale of currencies, securities, and other financial instruments, or buy or sell such currencies, securities, and instruments for their own account and that of its Clients, which advice or instruments potentially differ from advice given to, or instruments recommended or bought or sold for, the Clients, even though their investment objectives are the same or similar.

In addition, it should further be noted that in relation to investment management services to our Clients, there are instances where we pursue an investment opportunity through normal business channels that will potentially result in a transaction where a Client is purchasing a financial instrument from an underlying portfolio manager in which our other Clients are invested or from one of our affiliates. In addition, Apogem or an affiliate will likely purchase a financial instrument from an investor in one of our Funds.

The securities portfolio and liquid assets of each Fund will not be commingled with other securities and liquid assets managed by Apogem, except to the extent that the assets of a Fund will be commingled with the assets of other feeder Funds, if any, through the use of a master/feeder structure. Notwithstanding the foregoing, we typically invest assets of our Clients in Funds managed or advised by us. In such cases, we will determine, in our sole judgement, whether we will waive the management and/or incentive fee at the investee fund level in relation to such investments made by the Client, in order to avoid duplicative management and incentive fees. It should be noted that, in certain instances, we will not waive the fee at the investee fund level and duplicative management and incentive fees will apply.

Investors holding investments at different levels of the capital structure of a company typically have conflicting interests, particularly in the event that the company suffers financial distress. We will potentially make a limited amount of mezzanine investments for our own portfolio, but certain of our Clients will also make mezzanine investments, which will potentially take the form of second lien and subordinated loans, notes and/or related preferred or common equity investments. To avoid potential conflicts, we generally seek to avoid holding both senior loans to and mezzanine investments in the same company across the portfolios of our various Clients. When a potential borrower and its private equity sponsor seek both senior and mezzanine financing, Apogem, for an affiliated account and/or for its non-affiliated Clients, will potentially offer both parts of the total financing, but ultimately will seek to provide only one level of the financing, as agreed in consultation with the borrower and its sponsor. Therefore, certain Clients will potentially not be provided with otherwise favorable investment opportunities due to conflicting investments by us and/or our Clients.

In addition, Apogem employees and former employees of Apogem and its predecessor, Madison Capital, are invested in a number of Funds structured as series of a Delaware series limited partnership. In addition, the general partner of each of these Funds is paid a performance-based fee or carried interest from its related Fund. Certain of our senior investment officers and employees are entitled to a substantial amount of any performance-based fee or carried interest paid by the related Fund or Funds to any such general partner. These Funds invest solely in the equity of middle-market borrowers whose senior loans are available to be allocated to other Clients. Each initial equity investment by any of these Funds is made contemporaneously with the related senior loan. Some of these equity investments are offered to, and invested by, Clients whose mandates include investment in such equity investments, and the related senior loans. Such Clients typically pay a performance-based fee or carried interest with respect to the equity investments. However, the equity investments made by these Funds will not be offered to all Clients who invest in the loans made

to the issuer of such equity investments. When an officer or employee who is an investor in any of these above-mentioned Funds or its general partner is also responsible for the portfolio management of another Client whose investment mandate allows it to be allocated loans made to the issuer of any equity allowed to be held by the Fund, such officer or employee has a conflict of interest in connection with investment decisions for such other Client, including the selection of investments for such Client, since the person has an incentive to favor the above-described Fund and has an incentive to make investment decisions that benefit such Fund at the expense of the other Client. To the extent that any such conflicts arise, we will seek to resolve such conflicts consistent with applicable law, our fiduciary obligations to act in the best interests of our Clients, and our Clients' investment objectives.

Apogem private credit maintains a Special Assets Team with direct oversight by our Chief Credit Officer, dedicated to the management of problem loan workouts and the restructuring of underperforming loans. The Special Assets Team reviews the proposed terms of each restructuring, and while we will generally only agree to a restructuring if the terms are beneficial to our Clients, it is possible in certain situations that the interests of all of our Clients are not aligned. In these instances, the restructuring will likely result in one or more of our Clients being senior to or subordinated to one or more of our other Clients with respect to the same restructured investment, which gives rise to conflicts between our Clients. If such conflicts arise, we will seek to resolve them consistent with applicable law, our fiduciary obligations to act in the best interests of our Clients, and our Clients' investment objectives.

Apogem permits its officers and employees to invest in our Funds and to share in the performance-based fees and carried interest earned with respect to our Funds. When an officer or employee is responsible for both the portfolio management of a Fund and other Clients, the individual has a conflict of interest since the person has an incentive to direct the best investment ideas, or to allocate trades, in favor of the Fund in which he or she is invested or otherwise entitled to share in the performance-based fees or carried interest over the Fund or Managed Account in which it is not entitled to share in the performance-based fees or carried interest.

Our portfolio managers are responsible for the day-to-day management of our Funds and Managed Accounts. The potential for material conflicts of interest exists whenever a portfolio manager has responsibility for the day-to-day management of multiple Clients. As noted above, these conflicts are greater if a portfolio manager is responsible for managing a proprietary account for Apogem or its affiliates or when Apogem and/or an affiliate has an investment in one or more of such accounts or an interest in the performance of one or more of such accounts through the receipt of a fee. Clients will likely invest in different securities or other investments (*e.g.*, equity or debt) within an issuer's capital structure. In some circumstances, the interests of Clients that invest in a company are not be aligned with the interests of other Clients that invest in a different loan investment or security issued by the same company, which creates actual or potential conflicts of interest or the appearance of such conflicts. In that regard, we will typically take actions on behalf of a Client that are adverse to the interests of other Clients. The interests of Clients investing in different parts of the capital structure of a company are particularly likely to conflict in the case of financial distress of the company. For example, a Client holding senior loans or debt securities of a company typically take actions to protect its own rights as a creditor that are detrimental to the rights of another Client that holds equity or more junior securities issued by the same company. For instance, Apogem's mezzanine Funds or a Client that invests through a mezzanine strategy, on the one hand, and Clients that hold the equity securities, on the other hand, have conflicting interests and investment objectives, particularly if the portfolio company is distressed, insolvent, or engaged in a restructuring or considering or entering bankruptcy. In addition, it is possible that, in a bankruptcy proceeding, a Client's interests are subordinated or otherwise adversely affected by virtue of our involvement and actions relating to an investment made on behalf of another Client. This will potentially result in a loss or substantial dilution of one Client's investment, while another Client receives a full or partial recovery on its investment. Questions typically arise subsequently as to whether payment obligations and covenants should be

enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring typically raises conflicts of interest, particularly with respect to Clients that have invested in different securities within the same portfolio company. For example, these conflicting interests likely cause Apogem to take actions that we otherwise would not have taken or refrain from taking actions we otherwise would have taken on behalf of its mezzanine Funds, equity co-investment Funds or our affiliates. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Clients will potentially provide such additional capital, and if provided, each Client generally will supply such additional capital in such amounts, if any, as we determine in our discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, we face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Client versus another Client (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

While the possibility of conflicts in such circumstances are never fully mitigated, prior to making any new investment in a company on behalf of a Client, we will consider whether the interests of other Clients invested in the capital structure of the company impair our ability to act in the best interest of the Client. When we are required to take action with respect to a security or loan investment held by a Client, we will act in the best interest of the holder of the investment with respect to which action is being taken, even though such actions will potentially be to the detriment of other Clients invested in the company's capital structure. In the event of a material conflict, Apogem will implement information barriers and separately review to determine what it believes is the best course of action for each Client.

Conflicts typically arise when a Client makes investments in conjunction with an investment being made by another Client, or if it were to invest in the securities of a company in which another Client has already made an investment. It's possible that a Client will not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Clients. In some cases, this will result in differences in price, terms, leverage and associated costs. Further, there is no assurance that the relevant Client and the other Client(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. We sometimes express inconsistent views of commonly held investments or of market conditions more generally. There is no assurance that the return on one Client's investments will be the same as the returns obtained by other Clients participating in the same transaction. Given the nature of the relevant conflicts, there is no assurance that any such conflict will be resolved in a manner that is beneficial to both Clients. In that regard, actions will sometimes be taken for one or more Clients that adversely affect other Clients.

In situations where we receive some form of compensation from a class action lawsuit or some other compensation intended for one of our Funds, and that Fund has since been dissolved, we will, in our sole discretion, determine where such compensatory funds should be distributed. A Fund's investment committee, in consultation with our Chief Compliance Officer, and in consideration of the amount of compensatory funds involved, and as reasonably practicable, will typically determine to attempt to distribute the compensation to the previous investors of the relevant Fund, donate the compensation to charity, credit the compensation to a successor Fund in the same strategy, reject receipt of the compensation, or some other action.

Conflicts of Interest – Investment Allocation

Potential conflicts of interest that arise between Apogem and its Clients. These potential conflicts include:

- Unfair allocation of limited investment opportunities between our affiliated and unaffiliated Clients.
- Preferential allocation of investment opportunities to our Clients that pay a performance-based management fee.

In cases where Clients have overlapping mandates, we will allocate investment opportunities across our Clients in a fair and equitable manner over time, consistent with our investment allocation policies, applicable laws, regulations, and our Clients' governing documents. We will disclose relevant allocation priorities provided in our allocation policies, which are available to Clients and prospective Clients (and underlying investors) upon request. Please see Item 6 for more information regarding our allocation policies.

Allocation of Co-Investments to Fund Limited Partners and Third Parties Policy

From time to time, we will offer to existing and prospective investors in our Funds and Managed Accounts, as well as to other third parties, the opportunity to co-invest in investments made by our Funds and Managed Accounts if we deem it advisable in our discretion and consistent with our co-investment and allocation policies. Because of the potential for conflicts of interest that arise with respect to the allocation of co-investments, any allocation of an investment opportunity to a co-investor is subject to the applicable provisions of the Client's governing documents and to our co-investment and allocation policies.

When offering a co-investment opportunity, we will, in our discretion, offer Interests to co-investors through various structures including a dedicated co-investment fund or excess capacity/overage vehicle, or directly in the same securities purchased by our Clients. Some investors have expressed (or will express) an interest in participating in co-investment opportunities and in some instances, have set up funds or managed accounts for us to invest in these opportunities, which will result in less availability for other investors to be offered co-investments. We will implement additional protocols we deem reasonably necessary to mitigate the potential for conflicts of interest that often arise with respect to the allocation of co-investments.

We sometimes offer co-investment opportunities that exceed a Fund's desired allocation or that are not otherwise suitable or appropriate to one or more third-party co-investors that are not existing investors in our Funds if we deem it advisable and in the best interests of the relevant Fund or Managed Account, as applicable, regardless of whether we offer a given co-investment opportunity to our existing investors. Unless dictated by our investment allocation policy, Apogem will not be required to offer co-investment opportunities to any particular investor in any particular instance.

When allocating a co-investment opportunity among our existing Clients, we will consider, the allocation provisions set forth in the applicable partnership agreements, side letter agreements, investment management agreements, other applicable agreements, and one or more of the following factors:

- an investor's interest in making co-investments (as communicated by the investor in a side letter agreement request or otherwise expressly stated to us);
- an investor's ability to execute a transaction in a timely manner;
- the nature of the investor, including an investor's reliability and history of making co-investments;
- an investor's sophistication and experience in the relevant asset class, including a specialized knowledge or access that will potentially enhance the value of the investment and/or the ability of the Fund to consummate the investment;

- an investor's availability of funds with which to make the investment, including whether the investor has readily available resources (such as cash on hand or unconditional commitments of its investors) to make the investment and to support the investment following closing with any additional funding requirements (including follow-ons);
- an investor's creditworthiness and general reputation;
- whether an investor is considered by Apogem to be a strategic investor;
- whether there are any foreseeable restrictions related to the identity of an investor (e.g., tax, ERISA or regulatory restrictions) that will potentially hinder or endanger the transaction; and
- any other matter that causes us to believe an investment by a particular co-investor would be in the best interest of the applicable Fund.

If we reasonably determine that multiple investors satisfy the foregoing factors, we will generally allocate the opportunity on a pro rata basis according to demand, or rotational basis in our discretion.

Internal Cross Transactions and Principal Transactions

All of the senior loans held by Clients were and will be originated by Apogem and were, and a substantial majority will be, sold by our affiliate, Madison Capital, for whom we serve as investment adviser, to such Clients. In addition, in most circumstances, senior loans sold by Clients will be purchased by Madison Capital (all such sales and purchases "Senior Loan Principal Transactions"). All Senior Loan Principal Transactions are and would be considered "principal transactions" subject to the disclosure and consent requirements of Section 206(3) of the United States Investment Advisers Act of 1940, as amended (the "Adviser Act"). The governing documents for each such Client provide that the Client consents and agrees that, with respect to any such Senior Loan Principal Transactions, the requirements of Section 206(3) of the Adviser Act will be satisfied if disclosure is given to, and consent obtained from, an unaffiliated third party engaged to act on behalf of the Client (the "Independent Review Party").

Apogem has adopted a senior loan transfer pricing and valuation policy, which policy sets forth the prices at which we will engage in all such Senior Loan Principal Transactions. Under such policy, the price at which we engage in these Senior Loan Principal Transactions is determined based on our own internal senior loan credit review process discussed elsewhere herein and is not based on any observable market data. With respect to each Senior Loan Principal Transaction, the price of such Senior Loan Principal Transaction disclosed to the Independent Review Party at the time we seek their consent complies with our senior loan transfer pricing and valuation policy.

From time to time, we execute or recommend transactions in which one Client sells securities or other instruments to another Client (a "cross transaction"). In addition to Senior Loan Principal Transactions described above, we will also recommend transactions in which one Client that is deemed to be more than 25% owned by an affiliated entity (a "principal account") buys securities or other instruments other than senior loans from or sells securities or other instruments other than senior loans to, another Client (a "principal transaction"). We effect cross transactions and principal transactions where we have determined that it is in the Clients' best interest to do so and if such transactions are consistent with the investment objectives, strategies, restrictions and guidelines set forth in the Client's governing documents.

When coordinating cross transactions or principal transactions, however, we face an inherent conflict of interest since two Client accounts represent both sides of the trade, in the case of cross transactions, and we are on one side of the transaction, in the case of principal transactions. Except in the case of Senior Loan

Principal Transactions (the policies and procedures for which are described above), when effecting principal transactions, we provide disclosures to and obtain the consent of the Client or of such Client's designated agent in accordance with Section 206(3) of the Advisers Act and any applicable governing document or investment management agreement. When we effect cross transactions, we do so in accordance with our principal and cross trade policy. This policy requires among other things, a determination that such transactions are in the best interest of both Clients and are otherwise consistent with the investment objectives, strategies, restrictions and guidelines set forth in the governing documents of both Clients.

It should be noted that our investment personnel, from time to time, will make a determination that certain holdings in Client portfolios must be rebalanced and reallocated to bring the asset allocation for the Clients back to target allocations (which involves a "sell" from one account and a "buy" on a different account) or for any other purpose as deemed appropriate, including a Client purchasing the assets of another Client which is in the process of being liquidated or rebalancing transactions between a Fund and its parallel Funds. In such events, a determination will be made independently for each Client involved in the contemplated transaction based upon the Client's investment/risk parameters, assets under management, liquidity and portfolio exposure. These cross transactions are accomplished pursuant to an assignment and assumption of investments, with another one of its Clients or by other means. On occasion, we will, in our discretion, exclude Clients from such rebalancing transactions in order to comply with ERISA. Each cross trade between Clients will be executed on a fair and equitable basis.

Cross transactions and principal transactions other than Senior Loan Principal Transactions are generally affected at prices equal to the mark established by a third-party sponsor, the mid-point between marketable securities prices, or other price we determine to be fair and reasonable in our discretion. Senior Loan Principal Transactions are generally affected at prices determined in accordance with our senior loan transfer pricing and valuation policy. For certain Senior Loan Principal Transactions, the investment management agreement or governing document with respect to a Fund will require a seasoning fee based on the par amount of the seasoned senior loan be paid by the Fund to Madison Capital for the seasoning of the applicable senior loan on Madison Capital's balance sheet. We do not charge any fees or commission related to cross transactions and principal transactions other than Senior Loan Principal Transactions.

We seek to address these potential conflicts through the use of:

- A Code of Ethics, which is described above;
- With respect to Senior Loan Principal Transaction, senior loan transfer pricing and valuation policy, which is described above;
- A requirement that our employees complete an annual questionnaire detailing their potential conflicts;
- Disclosure of potential conflicts of interests and risks in this Brochure as well as in Fund offering documents provided to prospective investors;
- The establishment of conflicts of interest policies and procedures to address conflicts of interest; and
- Where appropriate, consultation with limited partner advisory committees.

Conflicts of Interest Created by Contemporaneous Trading

See language in Items 6 and 11 above.

ITEM 12 – BROKERAGE PRACTICES

When acquiring interests in loans, debt, equity, and private investments, as well as providing private financing, we generally do not utilize brokers to execute transactions on behalf of Clients.

Our Funds and Managed Accounts from time to time receive publicly traded equity securities as the result of a stock distribution, merger with a public company, a going public transaction, or through a bankruptcy restructuring. If we elect to dispose of such securities, we will execute the transaction in a manner that we believe is in the best interests of our Clients and in accordance with our brokerage policy. We will generally use the services of third-party brokers to sell these securities on behalf of our Clients. Those firms execute the transactions consistent with obtaining best price and execution.

We generally do not use the services of an affiliated broker-dealer in conducting our business, with the exception of offering Interests in our Funds to Clients and to other investors through NYLIFE Distributors. Our registered employees receive no transaction-based compensation for selling Interests in our Funds. We, however, will potentially compensate NYLIFE Distributors for the efforts of FINRA registered employees of affiliated investment advisers in promoting the Funds that we manage.

We will potentially use the services of certain of our affiliates to sell the securities on our behalf. When this occurs, the affiliate will execute the transactions consistent with seeking to obtain best price and execution. In certain instances, such as when securities must have restrictive legends removed or must be deposited with a clearing agency in order to be tradable, we typically use a third-party broker who will facilitate and accelerate the process.

Research

If the Underlying Funds in which we are invested are permitted to, and do, make distributions of in-kind securities to our Clients, we must then attempt to liquidate such securities in a manner that we reasonably believe is in the best interests of investors. When we directly hold marketable securities on behalf of our Clients, we will seek to achieve best execution when determining the brokers through which trades are routed and the transaction costs at which securities transactions are executed. Considering the infrequent nature and relatively small size of these activities, it should be noted that we elect to direct brokerage business to a limited number of firms which we believe has a strong reputation and/or provides valuable research, products or services. Such firms will not always charge the lowest commission rates, but we are of the view that this approach is consistent with what is in the best interest of our Clients and is consistent with our duty to seek best execution.

In recognition of our duty to seek best execution on behalf of our Clients and to monitor the use of Client commissions, our Compliance team reviews our direct trading activities in efforts to ensure that our brokerage business for Clients is consistent with stated procedures and generally in accordance with our duty to obtain best execution.

Brokerage for Client Referrals – We do not recommend or select broker-dealers for our Clients based on referrals from a broker-dealer or third party.

Directed Brokerage – We do not recommend, request or require that a Client direct us to execute transactions through a specified broker-dealer.

Order Aggregation

When appropriate, we are permitted to, but are not required to, aggregate Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. A Client's participation in aggregated trades will be allocated securities or cash based on the average price achieved for such trades, as well as a proportionate amount of the expenses incurred in the transaction. Depending upon market conditions, the aggregation of orders will likely result in higher or lower average prices paid or received. Orders which are not aggregated are entered at the market prices prevailing at the time of the transaction. Accordingly, trades that are not aggregated and entered at different times during the same day will likely result in different pricing. It is possible that we will identify investment opportunities that are suitable for multiple Clients. In such instances, our allocation policy will be utilized.

ITEM 13 – REVIEW OF ACCOUNTS

Pursuant to a service agreement with New York Life, the New York Life Corporate Compliance Department, with assistance from members of the New York Life's Office of General Counsel, is responsible for the oversight and maintenance of the compliance function for Apogem.

Apogem is registered with the SEC as an investment adviser under Section 203 of the Advisers Act. As a registered investment adviser, and pursuant to Rule 206(4)-7 under the Advisers Act, it is unlawful to provide investment advice to Clients unless we: (i) have written policies and procedures reasonably designed to detect and prevent violations of the Advisers Act and rules thereunder; (ii) review and document in writing, no less frequently than annually, the adequacy of its policies and procedures and the effectiveness of their implementation; and (iii) designate a chief compliance officer responsible for administering the policies and procedures under the Rule 206(4)-7. Accordingly, we have put in place a comprehensive program that includes written policies and procedures that are reasonably designed to detect and prevent violations of the Advisers Act and other governing laws and regulations. Such policies and procedures include those relating to investment and allocation practices, allocation of expenses, code of ethics, personal trading, information barrier, books and records, marketing, valuation, proxy voting, anti-money laundering, privacy and business continuity (the "Compliance Program").

As part of the Compliance Program, our Compliance Department maintains an assessment calendar that provides for a portion of our policies and procedures to be assessed on an ongoing basis. Testing criteria includes ensuring that each policy and procedure properly reflects current implementation practices and applicable rules and regulations. Policies and Procedures are revised as needed throughout the year to better reflect implementation practices or to reflect changes in applicable laws and regulations. The results of these reviews, including procedural revisions, are reported to our Compliance Committee not less than annually.

Apogem's investments are generally long-term in nature. Accordingly, the review process is not directed toward short-term decisions to purchase or sell securities. However, we carefully monitor the investments made in our Client's portfolios and generally maintain an ongoing evaluation of such investments. We believe that active monitoring of investments is critical to the successful performance of our Funds and Managed Accounts. The investment professionals assigned to the investment for any given transaction typically maintain frequent contact with both company management and investment sponsors, attend board meetings as appropriate, and conduct regular financial reviews. Financial performance is analyzed and tracked against our original underwriting case and periodically reviewed by applicable investment team personnel. In addition, we maintain heightened surveillance of those investments that require special attention or review. These investments are then periodically reviewed in detail at our investment committee meetings and through frequent interactions with both the company's management and the investment sponsor.

Loan account managers of impaired assets typically conduct enhanced reviews of cash flow forecasts, financial statements, covenant compliance certificates, and availability certificates, as well as interacting with management and third-party consultants and restructuring the terms of the debt. Distressed loans are discussed with our Chief Credit Officer on an ongoing basis with updates presented to our investment committees during regularly scheduled meetings. Increased account management, operational, and funding protocols are applied to such credits. In restructuring situations, our Special Assets Team reviews the proposed terms and determines if it is appropriate for our Clients to participate in the restructuring based upon funding availability and liquidity, Client yield requirements, portfolio duration, legal or regulatory considerations, deal risk or concentration parameters, Fund-specific governing constraints, or other similar factors. If the Special Assets Team, in consultation with our Chief Credit Officer with input from our

investment committee, believes the terms are not appropriate for a Client, the Special Assets Team will recommend the best course of action.

A Client account would be reviewed other than on a periodic basis if one of the following situations were to arise:

- if a Client were to approach us regarding a potential change to the strategy employed for its Managed Account; or
- in response to our review and evaluation of an investment sector or current portfolio exposures, we consider a change to a strategy for one of our Managed Accounts or Funds.

Investors in certain of our Funds receive, at least quarterly, written unaudited financial statements, capital account statements (if applicable) and a performance update, as well as annual audited financial statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

For further information regarding Apogem’s Client referral arrangements with their affiliates, please refer to *Item 10 – Other Financial Industry Activities and Affiliations*.

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

Apogem has entered into written arrangements with affiliated and non-affiliated firms for the purpose of obtaining or providing Client referrals or servicing Clients. A portion of the fees received from such referred investors is shared with the referring firm. Any such payments would be made in compliance with the Marketing Rule and relevant SEC guidance. Subject to certain exemptions, the Marketing Rule requires a written agreement between the investment adviser and the promoter and that the promoter provide clear and prominent disclosures concerning the identity of the promoter, the nature of the compensation and applicable conflicts of interests to the potential client at the time that the solicitation is made. As required by the Marketing Rule, except for uncompensated or “de minimis” compensation (as defined in the Marketing Rule) arrangements, we will not engage a promoter if that person has been subject to securities regulatory or criminal sanctions within the preceding ten years.

We will also periodically enter into placement agent agreements with registered broker-dealers to distribute our Funds. All arrangements with solicitors must be approved in accordance with our placement agent selection policy and procedures. Additionally, any approved placement agent must be a duly registered broker-dealer with FINRA, licensed as necessary in appropriate states and be in compliance with the referring firm’s foreign jurisdiction as applicable.

ITEM 15 – CUSTODY

Apogem generally does not have custody of Client funds and securities in its Managed Accounts. Managed Account Clients receive account statements directly from their custodians. In addition, certain Clients also receive account statements from Apogem. When a Client receives an account statement from us, the Client is encouraged to compare it to the account statement that it received from the custodian. The two statements should be consistent.

We are deemed to have indirect custody of the assets of our Funds by virtue of our (or our affiliates') role as general partner or investment manager to these Funds. We provide investors in our Funds with audited financial statements within 120 days from the end of each fiscal year (or 180 days in the case of our funds-of-funds). As a result, these Funds' custodians are not required to supply separate monthly account statements to investors, and we are not required to engage an independent public accounting firm to conduct an annual surprise audit of our operation, as would otherwise be required by rules under the Advisers Act. The insurance dedicated funds sub-advised by us are subject to an annual audit of the assets held in those funds by an independent public accountant. However, these examinations are overseen by the non-affiliated investment manager of those funds.

To the extent necessary, we maintain the assets of certain Funds with a "qualified custodian" pursuant to the Rule 206(4)-2 under the Advisers Act (the "Custody Rule") and notify investors in writing of the qualified custodian's name, address and the manner in which the assets are maintained promptly when the account is opened and following any changes to this information.

It should be noted that we also have secured lines of credit for some of our Funds with credit providers, whereby the credit providers are deemed a secured party to certain assets of these Funds. We have also entered into tri-party control agreements related to these line of credit arrangements.

Senior Loan Agency Account

The senior loans held in Apogem Clients' portfolios that are originated or otherwise sourced by Apogem are typically funded by a loan syndicate organized by Apogem (a "Loan Syndicate"). In the majority of cases, Apogem serves as the administrative agent to such Loan Syndicates. The participants in a Loan Syndicate (the "Loan Syndicate Participants") generally include our affiliate Madison Capital, our Clients, and other bank and non-bank lenders.

As the administrative agent to the Loan Syndicates, we perform the duties and responsibilities typically assigned to an administrative agent for and on behalf of each Loan Syndicate. Each Loan Syndicate's credit agreement requires us to follow negotiated guidelines or formulas regarding the movement of cash to and from the lenders and the borrower, as applicable, for the Loan Syndicate (e.g., the collection of loan proceeds from lenders and their disbursement to the borrower, as well as the use and distribution of payments received from the borrower). Accordingly, Apogem, in its capacity as the administrative agent, applies the terms of each credit agreement, and has no authority to determine how the cash is used, allocated or disbursed.

A single bank account (the "Agency Account") of Apogem and maintained by a major U.S. bank that meets the definition of a "qualified custodian" under the Custody Rule, facilitates the movement of cash to and from the lenders and the borrowers, as applicable, for all of the Loan Syndicates. The Agency Account is in the name of, and managed by, Apogem in light of Apogem's role as agent for the Loan Syndicate Participants (*i.e.*, the funds related to the Loan Syndicates are not held in separate accounts or sub-accounts for each Loan Syndicate Participant under the Loan Syndicate Participant's name but are commingled in

the Agency Account). The qualified custodian of the Agency Account does not send Agency Account statements to the Loan Syndicate Participants.

Under the Custody Rule, an adviser is deemed to have “custody” of client assets if it (or an affiliate in connection with the adviser’s advisory services) holds, directly or indirectly, or has the authority to obtain possession of, client funds or securities, including if it (or such affiliate) acts as a general partner of a client limited partnership or a managing member of a client limited liability company. In connection with the Loan Syndicates, it is likely that Apogem would be deemed to have custody of the assets in the Agency Account because Apogem as owner and operator of the Agency Account has access to, and the sole authority to, obtain the cash in the Agency Account. Although Apogem does not have any authority to determine how the cash is used, allocated or disbursed, nothing would prevent Apogem from withdrawing cash held in the Agency Account for reasons unrelated to the Loan Syndicates.

If Apogem is deemed to have custody of Client assets, it must comply with the Custody Rule. In particular, Rule 206(4)-2(a)(1) under the Advisers Act provides that Client funds and securities must be maintained with a qualified custodian in a separate account for each Client under the Client’s name or in accounts that contain only the Clients’ funds and securities, under the adviser’s name as agent or trustee for the Clients. As noted above, the Agency Account is maintained with a qualified custodian and is in the name of, and managed by, Apogem in light of Apogem’s role as agent for the Loan Syndicate Participants (including both Clients and third parties, including Apogem’s affiliate Madison Capital). Because the assets of Clients and third parties are commingled in the Agency Account, we are not in compliance with Rule 206(4)-2(a)(1)(ii) under the Advisers Act with respect to the Agency Account.

In addition, Rule 206(4)-2(a)(3) under the Advisers Act provides that an adviser that has custody of client funds or securities must have a reasonable basis, after due inquiry, for believing that the qualified custodian that holds such funds or securities on behalf of the adviser’s client sends an account statement, at least quarterly, to such client for which the adviser maintains funds or securities. The account statement must identify the amount of funds and securities in the account at the end of the relevant period and list all transactions in the account occurring during such period. However, if an adviser’s clients are pooled investment vehicles that prepare and distribute audited financial statements in accordance with Rule 206(4)-2(b)(4), the adviser is not required to comply with Rule 206(4)-2(a)(3) with respect to such clients (such exception, hereinafter referred to as the “Audited Pool Exception”). Because the qualified custodian of the Agency Account does not send Agency Account statements to the Loan Syndicate Participants, Apogem is not in compliance with Rule 206(4)-2(a)(3) with respect to the Agency Account for those Clients that do not qualify for the Audited Pool Exception.

On December 17, 2018, Madison Capital submitted a letter to the staff of the SEC requesting relief from the application of Rule 206(4)-2(a)(1)(ii) and Rule 206(4)-2(a)(3) with respect to the Agency Account. The staff of the SEC responded on December 20, 2018, stating that it would not recommend enforcement action against Madison Capital, provided that it satisfies and continues to satisfy the requirements set forth in the SEC staff’s response. The SEC staff’s response is located at <https://www.sec.gov/investment/madison-capital-funding-122018-206-4> (the “No-Action Relief”). Apogem has implemented policies and procedures to comply with the conditions of the No-Action Relief, but has not sought, and does not intend to seek, confirmation from the SEC’s staff that such policies and procedures comply with the conditions of the No-Action Relief.

ITEM 16 – INVESTMENT DISCRETION

Apogem generally has investment discretion to manage securities on behalf of Client accounts. Clients impose restrictions on this discretion by, among other things, prohibiting the purchase of specific investments or prohibiting investments within a specific industry. Clients also restrict the use of certain broker-dealers to execute trades or restrict the amount of investments that are able to be bought or sold within the account.

For Managed Accounts, a separate investment management agreement is executed by us and by the authorized client signatory for each Managed Account. These agreements confer limited investment discretion to us as investment manager, as well as set forth the investment guidelines applicable to such accounts. Managed Accounts are either discretionary or non-discretionary as determined in each Managed Account's individually negotiated investment management agreement.

For Funds, a limited partnership agreement, operating agreement or a separate investment management agreement is executed by us and the general partner or managing member of each Fund we manage on behalf of itself and on behalf of each investor in the relevant Fund pursuant to a power of attorney granted by the investors in their subscription documents for the relevant Fund. These agreements appoint us as investment manager of the relevant Fund and (other than with respect to our Funds) confer discretionary authority to the Fund's general partner or managing member and us as investment manager of the Fund. The terms of these agreements are negotiated in good faith by us and the investors in our Funds. Investors in the Funds generally do not have the ability to impose limitations on our discretionary authority. Prospective investors are provided with an offering document prior to their investment and are encouraged to carefully review the offering document and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Also, some prospective investors execute a subscription agreement, in which they make various representations, including representations regarding their sophistication and ability to assess and bear the risks of investment in a high-risk investment pool. Further, prospective investors in Funds organized as domestic partnerships must execute a limited partnership agreement.

Some investors negotiate side letter agreements with the general partners of the Fund in which they are investing, which typically grant investors additional rights or more favorable terms or impose additional obligations on the general partner of the Fund or additional limitations on our authority with respect to such investor, or to the relevant Fund as a whole. We have no obligation to offer such additional rights or terms to all investors. Additionally, some large investors enter into separate investment vehicles on more favorable economic terms than the investors in certain of our Funds. These separate investment vehicles generally invest pro rata on a side-by-side basis with these Funds based upon the size of the Fund and the size of the separate investment vehicle.

ITEM 17 – VOTING CLIENT SECURITIES

Apogem understands and appreciates the importance of proxy voting and will generally manage the receipt of incoming proxies, maintain a log of all proxies, and place votes based on established policies and guidelines. In the course of exercising discretion to vote a proxy, we will vote any such proxies in what we believe are the best interests of the Clients and in accordance with the procedures outlined below (as applicable). Investors do not have the authority to direct us to vote in particular situations.

Prior to voting any proxies, our investment professionals will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, our Compliance Department will make a determination (which is sometimes in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to our policies, the applicable investment professional will make a decision on how to vote the proxy in question. We also have the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of investors.

Apogem has adopted the proxy-voting guidelines of an unaffiliated third-party vendor, Institutional Shareholder Services Inc. (“ISS”) with respect to certain recurring issues (the “Guidelines”). The Guidelines are available at <http://www.issgovernance.com/>. These Guidelines are reviewed as needed by the Investment Committee and revised when the Investment Committee determines that a change is appropriate. These Guidelines are meant to convey Apogem’s general approach to voting decisions on certain issues. Nevertheless, Apogem’s investment personnel (or other designated personnel) maintain responsibility for reviewing all proxies and making final decisions based on the merits of each case. We do not have the authority to vote on behalf of certain of our non-discretionary Clients. However, we are able to make recommendations to such non-discretionary Clients with respect to any proxies received.

A copy of our proxy policy and information on actual proxy votes are available upon request.

ITEM 18 – FINANCIAL INFORMATION

Apogem is not required to file balance sheets for the most recent fiscal year because we do not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. We have no financial condition that impairs our ability to meet contractual commitments to Clients and have never been the subject of a bankruptcy proceeding.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Apogem is registered with the SEC and provides notice filings to certain states. Apogem is not registered with any state securities authorities.