



## **Lakemore Partners Management US LLC**

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### **FOV PART 2A BROCHURE**

This Brochure provides information about the qualifications and business practices of Lakemore Partners Management US LLC (“Lakemore US” or the “Company”). If you have any questions about the contents of this Brochure, please contact Lakemore US’ Chief Compliance Officer (“CCO”), Chandan Bhatia at +971 4 4309 911 or [chandan@lakemore.com](mailto:chandan@lakemore.com). The information in this brochure (the “Brochure”) has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Clients should note that SEC registration does not imply a certain level of skill or training.

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

## **Item 2 Summary of Material Changes**

Item 2 is intended to assist Clients and investors by making them aware of certain information that has changed materially since the prior year's brochure that may be important to them.

Since Lakemore US's annual updating amendment on March 31, 2023, the Company is now advising clients as further disclosed in Item 4 & 5, and updated information has been provided related to other financial industry affiliations in Item 10.

In addition, this Brochure contains several non-material changes from our previous brochure filed in December 2023, including, but not limited to updates to risk factors and conflicts. Lakemore US routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies and procedures, as well as to respond to evolving industry best practices.

Lakemore US will update this Brochure no less than annually.

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## Item 4 Advisory Business

Lakemore US is a Delaware limited liability company. Lakemore US is a wholly owned subsidiary of Lakemore Partners Ltd. (“Lakemore Partners”). One of the Directors, Mr. Ahmed Farid Alaulaqi, holds majority voting control in Lakemore Partners. Lakemore US was formed in 2020 as a subsidiary of Lakemore Partners to act as an investment manager and adviser within the Lakemore Group (comprised of Lakemore Partners Ltd. and all its subsidiaries). Lakemore Partners (and other Lakemore entities) serve as the investment manager and investment adviser for a range of private funds.

Lakemore Partners is an investment firm focused on delivering value to investors on a fully aligned basis. Lakemore US aims to generate a source of stable earnings through all market cycles in a defensive and disciplined manner. Lakemore Partners has subsidiaries with offices located in Phoenix, London, Switzerland, and Dubai. Lakemore Partners is owned by certain staff members and shareholders who are a select group of like-minded high net worth individuals. In addition to advising Funds (as defined below), Lakemore Partners may also create bespoke portfolios to suit clients’ specific needs or investment restrictions in separately managed accounts.

Lakemore US invests in credit instruments, including but not limited to, collateralized loan obligation (“CLO”) tranches of top tier managers and senior secured loans that are primarily U.S. denominated. Lakemore US will adhere to the principles of Lakemore Partners to strive to deliver target returns over an investment cycle through all market conditions in a defensive and disciplined manner. Lakemore Partners and its affiliates manage multiple credit products.

Lakemore US provides discretionary investment advisory services to a pooled investment vehicle Aquatine V (Delaware) LLC (herein each a “Fund” or “Client” and collectively in the future, the “Funds” or Clients”). Investment advice is provided by Lakemore US directly to the Fund(s). Lakemore Credit Manager V- US LLC is the Managing Member of the Fund (“Managing Member”). The Funds have been formed for the purpose of investing all investable assets via multi-layered master-feeder structures, wherein certain entities within the structure are managed by affiliates of Lakemore Partners.

Each Fund is typically organized in a “master-feeder” fund structure in which the feeder funds generally invest all or substantially all of their assets in the relevant master fund. Each master-feeder fund structure typically contains special purpose vehicles and other investment entities that have been established for legal, regulatory or similar purposes that are managed or controlled by Lakemore Partners or its affiliates. “Investors” refer to investors or limited partners in the Fund(s). All Funds are governed by a private placement memorandum, and/or limited partnership agreements or limited liability company agreements collectively referred to as (the “Governing Documents”). The Funds rely on all disclosures and conditions contained in the Governing Documents. The Funds’ investment strategies are described in more detail under “Methods of Analysis, Investment Strategies and Risk of Loss” in Item 8 below. The managing members or directors have the ultimate responsibility for decisions relating to investment management made on behalf of the respective Fund. The managing members or directors enter into an investment management agreement with

Lakemore US and delegate certain management and administrative services in relation to each respective Fund.

Since Lakemore US does not provide individual advice to Fund Investors (and an investment in a Fund does not, in and of itself, create a direct advisory relationship between the investor and Lakemore US), prospective investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

As of December 2023, Lakemore US managed \$220,000,000 in regulatory assets under management (“RAUM”), all on a discretionary basis.

### ***Agreements***

Lakemore US has entered into a services agreements with Lakemore Partners and certain affiliates, which describe services to be provided including research of potential acquisitions, dispositions, financing arrangements or providing other such services as agreed upon by the parties for a cost plus a markup compensation arrangement.

In line with common industry practice, Lakemore US, from time-to-time, enters into a “side letter” or similar agreement and may, in the future, without any further act, vote, or approval of or notice to any Investor, enter into, amend or terminate side letters or other similar agreements with one or more Investors pursuant to which the Fund grants the investor specific rights, benefits or privileges that are not generally made available to all investors.

### ***Limitation on Services***

As an asset manager, Lakemore US does not provide tax, legal, or accounting advice, and Investors should note that, unless otherwise specifically agreed or disclosed in writing, Lakemore US will not take tax considerations into account in managing a Fund.

## **Item 5 Fees and Compensation**

### ***Management Fee***

Management fees on Lakemore US-managed Funds are generally charged within the master-feeder structure based on aggregate capital contributions made by investors in the Funds for an annual management fee rate of up to 1.5%.

Lakemore US reserves the right to negotiate or waive some or all fees for certain investors in the Funds, including for current employees or investors who are affiliated with Lakemore Partners.

Funds’ management fees will be accrued and paid quarterly in arrears based on the Governing Documents of the Fund.

### ***Other fees and expenses***

In addition to paying management fees and being subject to performance fees (as further elaborated in Item 6 ‘Performance-Based Fees and Side-By-Side Management’), the Funds will incur other expenses, including costs relating to an individual Fund’s own operations. These include organizational expenses, interest, fees, expenses and other amounts payable in respect of financings, costs of third-party services including legal, accounting, tax preparation fees, compliance and other professional costs, costs relating to custody of assets of the Fund and its subsidiaries, any insurance, indemnity or litigation expenses, all costs of administration, including preparation of financial statements and reports to the Fund’s investors, and any taxes, fees or other governmental charges levied against the Fund as described in more detail in each Client’s Governing Documents. Where a Fund may have an Investor Advisory Committee or Investor Advisory Board (“IAC”), all reasonable travel-related expenses and other expenses for members will be covered by the Fund.

For Investors in a Fund, expenses noted above will be allocated and passed on to Investors on a pro rata basis relevant to their ownership in such Fund. Expenses attributable to multiple series or Funds will be allocated on a pro-rated basis based on the weighting of each individual series or Fund and passed on to investors on a pro-rata basis of their ownership in the relevant series or Fund. Lakemore US may, in its sole discretion, implement a fee cap in order to limit the amount of expenses charged to a particular series or Fund. In these instances, Lakemore US or any of its affiliates bears any fees and expenses which exceed the fee cap.

In addition to fees and expenses listed above, other expenses include: travel expenses; accounting, tax, and audit expenses; legal expenses; and other expenses not listed. Funds that invest with an underlying manager or in underlying funds bear associated fees and expenses. Expenses attributable to a single Fund will be billed to the Fund directly and expenses attributable to a group of Funds will be allocated on a pro rata basis. Details regarding expenses can be found in the applicable Governing Documents of each Fund. For a further discussion of these and related items, see Item 12 (Brokerage Practices).

The Managing Member and/or Lakemore Partners in its sole discretion, can cause the Fund(s) and/or the master-feeder structure to borrow money from any person (including a related party) for any purpose including (a) covering fund expenses and organizational expenses; (b) funding or re-financing investments or follow-on investments (including funding any amounts not paid by any defaulting Investor), provided that such outstanding borrowings by the Fund and the master-feeder structure permitted by clauses (a) and (b) inclusive above shall not, in the aggregate, typically exceed 40% of the gross asset value of the master fund, calculated immediately after such borrowing. Each of the managing members or directors of the Funds shall have the right, in its sole discretion, to pledge any or all of the assets of the Fund and/or the master-feeder structure, as applicable, as security for any such financing. The Fund and the master-feeder structure may be exposed to leverage from underlying Investments in addition to any borrowings of the Fund or the master-feeder structure.

No additional sales-based compensation or trails will be paid to Lakemore US or any Lakemore US supervised person for the sale of securities or other investment products, including asset-based sales charges or service fees.

Prospective Investors are encouraged to consult their own financial, tax and legal advisors regarding any investment decision regarding Lakemore US's investment advisory services.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

### ***Performance Based Fees***

The Investors in the Fund(s) will be charged a performance fee in addition to a management fee as set forth in the respective Fund Governing Documents.

Generally, a Performance Fee will be charged within the master-feeder structure after Investors in the Funds receive an amount equal to their aggregate capital contributions and an eight per-cent (8%) per annum (compounded quarterly) preferred return. The master-feeder structure will pay an affiliate of Lakemore US, 10% of all profits if the 8% hurdle/preferred return is met.

### ***Fee Rebates on Investments***

All fee rebates negotiated and obtained by the Company, Lakemore Partners and/or their affiliates in relation to any investment will be retained by, or allocated to, the master fund for its sole benefit, pro rata to the master fund's interest in the investment or offset (on a pro rata basis) against any fees payable to Lakemore or its affiliates (at the discretion of the Directors).

### ***Side-by-Side Management of Portfolios***

Lakemore US will seek to conduct itself in a manner that is consistent with its fiduciary obligations to its Clients and make investment decisions based on relevant considerations, investment objectives and investment restrictions. It should be noted that such performance-based compensation creates a potential conflict of interest in that it may incentivize Lakemore US or its related persons to recommend investments that are riskier or more speculative than would be the case absent this performance-based compensation. As such, Lakemore US has implemented policies for approving investments that are intended to mitigate the potential conflict of interest associated with performance-based compensation. Investors in the Funds are informed of the performance-based compensation in the Governing Documents.

### ***Allocation of Investment Opportunities***

It will be Lakemore US's policy not to favor or disfavor consistently or consciously any Clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among Clients over a period of time on a fair and equitable basis. Lakemore US will take steps to ensure that no Client will be systematically disadvantaged by allocation of investments and record the allocation reasoning clearly discussing the management of any conflict of interest that may arise.

## **Item 7 Types of Clients**

Lakemore US provides investment advisory services to pooled investment vehicles operating as private investment funds.

Underlying Investors who are U.S. persons generally must be (i) an “accredited investor”, as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) a “qualified purchaser”, as defined in the U.S. Investment Company Act of 1940, as amended (the “Company Act”). The subscription agreement contains representations and questionnaires relating to these and other qualifications. The minimum investment for an Investor in a Fund is described in each Fund’s offering and Governing Documents.

This Brochure will be provided to prospective Investors in a Fund, together with the Fund’s Governing Documents, prior to or in connection with such Investor’s consideration or execution of an investment in the Funds. Investors and other recipients should be aware that while the Brochure may include information about the Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Funds. More complete information about the Funds will be included in the Governing Documents, which will be provided to eligible prospective investors. The Funds or their shares will not be registered with the SEC under the Company Act and the Securities Act.

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

The discussion in this item applies to the Funds to which Lakemore US provides discretionary investment advisory services. Please also carefully review Governing Documents for additional information on the Fund’s investment strategies and risks.

Because the value of an Investor’s investment will fluctuate, there is the risk that an Investor will lose money. Investors should carefully review the risks of investing and be prepared to bear those risks, including the possible loss of the principal amount invested.

### ***A. Methods of Analysis and Investment Strategies***

Lakemore US is an independent investment firm focused on delivering value to Investors on a fully aligned basis. Lakemore US aims to generate a source of stable earnings through all market cycles in a defensive and disciplined manner. On behalf of its Clients, Lakemore US will invest in credit instruments, including but not limited to, CLO equity, CLO warehouse equity and/or CLO debt tranches of third-party managers, including risk retention style funds that are primarily U.S. denominated.

Lakemore US’s investment management strategy for Clients will be developed and implemented using the following principles as guidelines:

1. Delivering sustainable investment performance across all market cycles by creating a core of stable earnings which generate cash-on-cash yields through all market regimes;
2. Alignment of interest and intent with investors, operating partners, employees, and shareholders; and
3. Robust investment discipline based on proprietary analytics, research and on-going monitoring of portfolios and risk exposure.

The primary method of analysis to be undertaken by Lakemore US is based on fundamental research and proprietary tools used for manager due diligence, early warning systems and position-monitoring focused on underlying risky loan analysis. Lakemore US will have a disciplined and methodical approach to assessing markets, evaluating opportunities, building portfolios, and managing exposures. This discipline will be based on timely and insightful understanding of all relevant aspects of risk and return.

Lakemore US has access to many collateral managers and will implement a methodical investment decision-making process, which will include a relative-value analysis, manager due diligence, structuring analysis, portfolio construction using proprietary analytical tools, documentation structuring and position sizing, and independent risk assessment of investments. Once the decision is made to invest, on behalf of its Clients, Lakemore US will acquire positions that it believes to be of intrinsically high-quality and continues to actively monitor these holdings at the CLO-level and on a loan-by-loan basis with a focus on tail risks within the portfolios. Each Fund has appointed Lakemore's Investment Advisory Committee which will review and then makes appropriate investment recommendations regarding all investment decisions.

## ***B. Risk of Loss***

As with most investment strategies, those employed by Lakemore US will expose Clients to the risk of principal loss. On behalf of its Clients, Lakemore US will invest primarily in credit instruments, where losses typically accrue from either an erosion of fundamental value (e.g., the default or failure of an underlying borrower), or from a severe dislocation in (or lack of) market value (e.g., during periods of heightened market volatility). A range of factors will influence both and are largely outside of Lakemore US's control. In addition to the risk of loss, Investors may also be restricted from withdrawing their investment for extended periods for example, where market conditions are unfavorable.

While every effort will be made by Lakemore US to mitigate risks to Fund assets, all investing activity involves a risk of loss to all or a part of the investment made. There is no guarantee that the investment objective of an account, or the risk monitoring and diversification goals, will be achieved and results may vary substantially over time. The value of investments in any strategy can, in common with other investments, go down as well as up. There is no assurance that the investment objectives will be actually achieved. Investors in a Fund should review the relevant Fund's Governing Documents for a thorough review of the risks inherent in the relevant strategy.

While not exhaustive, below is a selection of material risk factors that could contribute to Investor loss:

- *Underlying Business / Credit Risk*

Lakemore US strategies focus primarily on investing in credit instruments that expose investors either directly or indirectly to the risk of loan defaults from underlying borrowers. Such defaults can also precipitate a broader failure of these businesses, and while loan providers may benefit from certain remedies and security, these may not be sufficient to fully recover the loan. A borrower's capacity to make such payments can be influenced by a wide range of factors including economic conditions, industry trends and management expertise. Lakemore US has very limited (if any) influence over the management of such businesses and is unlikely to accurately predict the level of default and losses experienced among such investments.

- *Reliance upon CLO Primary Markets*

Recent global events have led to more cautious investor behavior and led to a general slowdown in new issuance in the CLO market, including of the type of subordinated junior debt and equity interests that are expected to form a substantial part of Fund's investment portfolio. To the extent a [CLO?] manager's strategy relies upon investment in the primary markets, a continuation or recurrence of such conditions could impede the Fund from achieving its investment objective.

- *Reliance upon the Collateral Managers*

The Collateral Managers will generally have exclusive responsibility for managing CLO vehicles' activities and, other than as may be described herein or specified in the constitutional documents or offering documents of a CLO vehicle, a shareholder has no opportunity to control the day-to-day operations of CLO vehicles, including investment and disposition decisions, and will not be able to otherwise make any decisions in the management of CLO vehicles. Each shareholder will be relying on the ability of the Collateral Managers to select the investments to be made by CLO vehicles using the capital available to CLO vehicles, which includes the capital available to CLO vehicles in the form of the capital contributions by each shareholder. Except as expressly stated herein or in CLO vehicles' constitutional or offering documents, there are no material restrictions on the instruments or strategies that may be employed by the Collateral Managers on behalf of CLO vehicles.

Furthermore, in the event that a Collateral Manager becomes insolvent or is wound down or liquidated or are otherwise removed, the CLO vehicles may also be wound down or liquidated in accordance with its constitutional and offering documents unless a suitable replacement manager is identified and appointed although there is no guarantee that such a manager may be identified or appointed in a timely manner, upon suitable terms or at all.

- *Volatility in CLO Secondary Markets*

Recent global events have contributed to significant volatility in the value of CLO instruments within the secondary markets. Many of the factors influencing

valuations are beyond Collateral Managers' control and may not be directly related to CLO vehicles' operating performance. Such values may decline for a number of reasons, including (i) real or perceived adverse economic conditions and the effects of such conditions on leveraged loan borrowers, (ii) variation in the supply of and demand for CLO interests, particularly equity or other residual CLO interests, (iii) unanticipated changes in the general outlook for interest rates, (iv) adverse developments in investor sentiment, particularly with respect to the leveraged loan or CLO markets, (v) unanticipated increases in defaults resulting from unexpected changes in overall economic conditions, and (vi) widening of credit spreads. While such volatility poses what the managers believe is a unique opportunity to capitalize on dislocations in market and fundamental value, it also poses significant risks of loss for investments in CLO equity and junior debt tranches.

- *General Economic Factors Affecting Investment Activities*

The leveraged lending market generally and the success of CLO vehicles' investment activities in particular involve a significant degree of risk, and performance of CLO vehicles' investments will be affected by numerous factors that are not predictable or within the control of the manager. Such factors include a wide range of general economic and market conditions, political, competitive, and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. Furthermore, depending upon the investment strategies employed and market conditions, CLO vehicles may be adversely affected by unforeseen events involving such matters as changes in interest rates, changes in applicable laws or regulations, redemptions of securities, acquisition proposals, or difficult national and international political and socioeconomic circumstances.

- *Economic Conditions*

Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of the Fund. None of these conditions is within the control of the Fund and no assurances can be given that the Fund will anticipate these developments.

- *Master-Feeder Structure*

Certain Funds will invest through a "master-feeder" structure. A master-feeder fund structure – in particular the existence of multiple feeder funds investing in the same master fund – presents certain unique risks to investors. Smaller feeder funds investing in a master fund may be materially affected by the actions of other feeder funds (in particular, larger feeder funds) investing in a master fund.

- *Portfolio Interest Rate Risk*

Interest rate risk refers to the risks associated with market changes in interest rates. The relationship among short-term and longer-term interest rates is often referred to as the “yield curve.” The value of the portfolio investments may decline if long-term interest rates increase significantly. CLO vehicles could realize losses if Investments are sold in such an economic environment.

- *Hedging Risks*

CLO vehicles may use derivative instruments for hedging purposes. Derivatives and similar techniques allow an investor to manage risk with respect to movements in price and other variables in connection with, for example, a particular security or instrument, a reference portfolio of risk exposures, various financial variables or various indices at a fraction of the cost by trading only in exposures to price or other variables relating to a desired reference. The use of derivative instruments for hedging involves a variety of material risks, including the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (e.g., due to deviations from anticipated or historical correlation patterns). In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly for CLO vehicles to close out positions in order to either realize gains or limit losses.

- *Institutional Risks*

Certain financial institutions, including broker-dealers and banks, with which CLO vehicles directly or indirectly conduct business or to which securities and other assets of CLO vehicles are custodied or pledged in the normal course of CLO vehicles' business, may encounter financial difficulties, fail, or otherwise become unable to meet their obligations. Any such development may prevent CLO vehicles from fully implementing its investment strategy, impair the operational capabilities of CLO vehicles, limit or foreclose CLO vehicles' ability to access its assets custodied with such institution or cause a loss (possibly including a complete loss) to CLO vehicles.

- *Counterparty Risk*

Certain portfolios are subject to the risk of insolvency of counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges, or clearinghouses). The portfolio's assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the portfolio's assets could become unavailable to it either permanently or for a matter of years. There are increased risks in dealing with non-U.S. brokers and unregulated trading counterparties, including the risk that assets will not benefit from the protection afforded to “customer funds” deposited with regulated brokers and dealers. In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the portfolio may recover, even in respect of property specifically traceable to it, only a pro rata share of all property available for distribution to all of such counterparty's customers.

- *Price Volatility / Market Risk*

Lakemore US strategies typically aim to exploit dislocations in the market value of assets. This often involves acquiring assets deemed undervalued, with the expectation of a longer-term recovery. However, market values can be influenced by a range of factors beyond Lakemore US's control, and a continued dislocation may persist. Asset values can also be volatile, and price volatility has increased notably in recent years. A materially adverse price move could force certain actions as defined within a trading strategy (such as "stop losses") or the terms of third-party leverage. This could include a liquidation of collateral during turbulent market conditions, often at a significant discount to what we may consider representative long-term value.

- *Systematic Risk of the Global Capital Markets*

Asset prices are vulnerable to changes in economic cycles, interest rate levels, commodity prices, government policies and geopolitical and natural disaster risks. Even a long-term investment approach cannot guarantee that a strategy will not lose money. Economic, market, political and issuer-specific conditions and events will cause the value of securities, and the portfolio that owns them, to rise or fall. Markets tend to move in cycles, with periods of rising prices and periods of falling prices. However, over time, assets have tended to provide an excess return over a risk-free rate of interest. Therefore, systematic risk is believed to be mitigated by protracted holding periods.

- *Effects of Health Crises and Other Catastrophic Events*

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbances, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Funds' investments and the Company's operations and employees. For example, any preventative or protective actions that governments may take in respect to such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies, and component parts, and reduced or disrupted operations for certain Fund investments. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Company and other service providers could be reduced, delayed, suspended, or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

- *Illiquidity of Investments*

The securities issued by CLOs generally offer less liquidity than other investment grade or high-yield corporate debt. Other investments that CLO vehicles may purchase in privately negotiated transactions may also be illiquid or subject to legal restrictions on their transfer. There may be no trading market for these securities and, at any particular time, CLO vehicles might only be able to

liquidate these positions, if at all, at disadvantageous prices resulting in losses to CLO vehicles. As a result, CLO vehicles may be required to hold such positions despite adverse changes in value. Dispositions of CLO vehicles' portfolio investments will also be subject to contractually imposed limitations on transfer or other restrictions that could preclude or limit CLO vehicles' ability to sell its Investments or adversely affect the terms that could be obtained upon any sale. This illiquidity may limit the [CLO?] managers' ability to make timely changes in the composition of CLO vehicles' portfolios in response to changing economic or other conditions, particularly those that could affect the leveraged loan or CLO markets, and limit the cash flow available to CLO vehicles for distributions on the CLO shares. CLO vehicles bear the risk of being unable to dispose of their investments at advantageous times or in an expedient manner because of illiquidity or contractual restrictions or both. In addition, CLOs are subject to liquidation upon the failure of certain tests and events of default relating to the underlying assets, which could result in substantial loss of value to the holders of interests in CLOs, particularly when those interests are in the form of more junior tranches or equity.

- *Complex Accounting Considerations*

The accounting principles applicable to the Fund and CLO vehicles, and the Fund's and CLO vehicles' financial reporting, are expected to be complex and may vary from time to time based on the particular facts and circumstances of CLO vehicles' investments. Such accounting principles may require CLO vehicles to consolidate all or some of its investments, including CLOs, on its financial statements. To the extent CLO vehicles are required to consolidate a CLO on their financial statements, CLO vehicles' would reflect all of the underlying loans and liabilities of the CLO on its balance sheet. Such consolidation may make assessing CLO vehicles' performance more complicated and may adversely impact the value of an interest in the Fund or CLO vehicles.

- *Frequent Trading Activity*

Certain Lakemore US strategies may involve frequent buying and selling of investments at the CLO vehicle level, which may increase during periods of heightened volatility. This will increase associated transaction and brokerage costs which will ultimately be borne by investors through lower net returns.

- *Liquidity Risk*

Lakemore US strategies can involve investment in credit instruments that have limited market liquidity, and this may be exacerbated during unfavorable market conditions. It may be challenging to meet the requirements of trading strategies, the terms of third-party leverage, or investor redemption requests as a result of this illiquidity.

- *Lack of Diversification*

Certain strategies of Lakemore US lack significant diversification either with respect to the number of individual credit instruments / underlying borrowers,

their respective industries or geographies, or use of specific managers with unique investment styles. This lack of diversification can increase loss severity for investors.

- *Subordination*

Lakemore US may invest in securities that are subordinated in terms of ongoing rights to cashflows or collateral value in the event of bankruptcy or similar action. This typically corresponds to higher losses relative to more senior instruments in the event of a business failure.

- *Derivatives Risk*

Derivatives are instruments, such as swaps, futures, and options thereon, as well as foreign exchange forward contracts, whose value is derived from that of other assets, rates, or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it also can reduce or eliminate gains or cause losses if the market moves in a manner different from that anticipated by the portfolio or if the cost of the derivative outweighs the benefit of the hedge. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When a portfolio uses derivatives, the portfolio will be directly exposed to the risks of those derivatives. Derivatives expose a portfolio to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including credit risk of the derivative counterparty, possible lack of a liquid secondary market for derivatives and the resulting inability of a portfolio to sell or otherwise close a derivatives position could expose the portfolio to losses and could make derivatives more difficult for the portfolio to value accurately. Some derivatives are more sensitive to interest rate changes and market price fluctuations than other securities. A portfolio could also suffer losses related to its derivatives positions as a result of unanticipated market movements, in which losses are potentially unlimited. Lakemore US may not be able to correctly predict the direction of securities prices, interest rates and other economic factors, which could cause a portfolio's derivatives positions to lose value. Valuation of derivatives may also be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase derivatives or quote prices for them. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, or index; and the portfolio could lose more than the principal amount invested.

- *Securities Lending, Repurchase and Reverse Repurchase Transaction Risk*

Certain portfolios are eligible to enter into securities lending, repurchase and reverse repurchase transactions. In a securities lending transaction, the portfolio lends its securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the portfolio sells its securities for cash through an

authorized agent while at the same time it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the portfolio buys securities for cash while at the same time it agrees to resell the same securities for cash (usually at a higher price) at a later date. The following are some of the general risks associated with securities lending, repurchase and reverse repurchase transactions: (i) when entering into securities lending, repurchase and reverse repurchase transactions, the portfolio is subject to the credit risk that the counterparty could go bankrupt or default under the agreement and the portfolio would be forced to make a claim in order to recover its investment; (ii) when recovering its investment on a default, a portfolio could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the portfolio; and (iii) a portfolio could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such portfolio to the counterparty, plus interest.

- *Operating Risk*

Lakemore US and any portfolios are exposed to operational risks such as the risk of human error or failures in systems, technology, or processes, either internally or at third parties. Lakemore US's business operations can be impacted, in part, by software or hardware malfunctions, viruses, glitches, process errors, connectivity loss or system failures. Various operational events or circumstances are beyond the control of Lakemore US, including instances at third parties, and can include human errors or events in part caused by changes in personnel, system changes, or faults in communication or technology failures. Increased use of and reliance on systems, technology, or processes, both internally and at third parties, can cause portfolios and Lakemore US to be more susceptible to operational and system risks, including the cyber security risk addressed above. To the extent a trading counterparty uses algorithms to implement orders from Lakemore US, and such algorithms are incorrect or incomplete, any decisions or investments made in reliance thereon expose portfolios to additional risks, including losses. Lakemore US seeks to minimize operational risks and related risks through controls and oversight, but there is no guarantee that those measures will be effective, including because Lakemore US does not control operational risk management at third parties. There may be failures or instances that cause losses to a portfolio or impact Lakemore US's or a third party's functions. Unless otherwise agreed in writing with a client, Lakemore US will not be responsible for errors caused by Lakemore US's reasonable reliance on third parties, such as brokers, custodians, technology providers, data sources and other providers. Potential losses may arise from the various facets of operating an investment funds such as the Funds. For example, there are regulatory risks, the potential for lawsuits and the potential for the occurrence of tax events which may adversely affect the Funds. There is also the risk of human error, such as inaccuracies in booking and reporting of trades.

- *Cyber Security Risk*

The use of the internet, technology, and information systems by a portfolio as well as its service providers expose the portfolio to potential risks linked to

cyber security breaches of those technological or information systems. Cyber security breaches, among other things, could allow an unauthorized party to gain access to proprietary information, customer data, or portfolio assets, or cause the portfolio, its service providers and/or counterparties to suffer data corruption or lose operational functionality. Lakemore US's operations are subject to similar risks, including because of incidents that may occur at Lakemore US's business service providers and counterparties. Cybersecurity risks can result in financial losses to Lakemore US and its Clients. A cyber security incident, either at Lakemore US or a third party, could limit Lakemore US's ability to manage portfolios or transact on their behalf. Incidents could also result in delays or mistakes in materials provided to Clients. Lakemore US has measures designed to address risks associated with cyber security, but there is no guarantee that those measures will be effective, including because Lakemore US cannot directly control cyber security defenses or plans of its service providers, financial intermediaries, and companies in which Lakemore US invests on behalf of Clients. A cyber security incident can result in compliance, legal and remediation costs and could also result in reputational harm.

- *Data Source Risk*

Lakemore US uses a variety of data in connection with managing portfolios and evaluating securities, and the quality of the resulting analysis or implementation depends on a number of factors, including the accuracy and timeliness of data inputs. When such data is incorrect or incomplete, a portfolio can be negatively impacted, such as when incorrect data is entered into an otherwise accurate investment process or system, or when Lakemore US's securities analysis is affected by incorrect information. Lakemore US cannot guarantee that third-party data is accurate and, unless otherwise agreed in writing with a Client, is not responsible for errors caused by reasonable reliance on third-party data sources.

- *Model, Programming and Data Risk*

Lakemore US's use of systematic investment or valuation data signals relies on models and data both developed by Lakemore US and supplied by third parties. Models and data can potentially include errors, omissions, imperfections and malfunctions. Where incorrect or incomplete data is available, Lakemore US may, and often will, continue to generate forecasts and make investment decisions based on the data available to it. Additionally, Lakemore US may determine that certain available data, while potentially useful in generating forecasts and/or making investment decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, Lakemore US will not utilize such data. Investors should be aware that there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making investment decisions with respect to the models, nor is there any guarantee that the data actually utilized in generating forecasts or making investment decisions underlying the models will be the most accurate data available or free of errors. Investors should assume that the data set used in connection with the models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analyzing large amounts of data are an inherent part of investing in data-driven strategies. When

models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon will expose the Clients to risks. For example, by relying on models and data, Lakemore US may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether.

- *Legal/Structural Risks*

Investments targeted by Lakemore US typically involve a high degree of legal complexity, and while Lakemore US benefits from significant internal and external legal expertise, investors may still be exposed to adverse outcomes in the event of asset underperformance, some of which may be unforeseen and for which there may be limited or no remedies or indemnification.

- *Third-Party Litigation*

The Fund's investment activities subject it to the risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Fund, would reduce net assets and could require members to return to the Fund distributed capital and earnings. The manager and others are entitled to be indemnified by the Fund in connection with such litigation, subject to certain limitations.

- *Russia-Ukraine Conflict*

On February 24, 2022, Russia launched an invasion of Ukraine that has resulted in an ongoing military conflict between the two countries (the “Russia-Ukraine Conflict”). The Russia-Ukraine Conflict has caused, and is currently expected to continue to cause, significant disruptions to the global financial system, international trade, and the transportation and energy sectors, among other disruptions. The Russia-Ukraine Conflict may have a significant adverse impact on, and result in significant losses to, the Fund and its investments. It may limit the ability of the Fund to source, diligence, and execute new Investments and to manage, finance and exit investments in the future. Developing and further governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal, and regulatory frameworks and systems in ways that are adverse to the investment strategy that the Fund will pursue, all of which could adversely affect the Fund’s ability to fulfil its investment objectives.

### **C. Recommendation of Specific Types of Securities**

Lakemore US will have a particular focus on CLO instruments and expects to remain active in CLOs going forward, in addition to a range of other credit instruments. Consequently, while Lakemore US will have discretion in making investments for our Clients, our Clients’ investments will generally consist of CLO tranche instruments and senior secured loans. While CLOs can offer unique structural advantages to investors, visibility on individual underlying loan performance can be limited, portfolio composition is largely under the control of a third-party manager, secondary liquidity

can be poor (particularly for more junior tranches and equity) and structural complexity can be high.

The foregoing information regarding the risks and conflicts of interest relating to an investment of the Clients provides general information based on the Clients' investment strategies. For specific information regarding the risks and conflicts of interest of investing in a particular Client, investors should refer to each Client's Governing Documents.

## **Item 9 Disciplinary Information**

Lakemore US does not have any disciplinary information to report.

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

Lakemore US is part of Lakemore Partners and is affiliated with investment advisers operating and domiciled in London, Cayman Islands, and Dubai. Lakemore Partners (UK) Ltd. ("Lakemore UK") (FRN: 837603) is an appointed representative of Kroll Securities Ltd. (FRN: 466588), which is authorized and regulated by the Financial Conduct Authority. Lakemore Credit Manager LCOF-Master Ltd. (formerly known as Lakemore Credit Manager 2 Ltd.) ("LCM LCOF-Master") is regulated by the Cayman Islands Monetary Authority. Lakemore Credit Manager V International Ltd. (Cayman) is the Managing Member of Aquatine V International Master Ltd. (Cayman) and SEC exempt reporting adviser. Lakemore Credit Manager V - Master Ltd. (Cayman) is the Managing Member of Aquatine V Master Ltd. (Cayman) and SEC exempt reporting adviser. Lakemore Partners (DIFC) Ltd. ("Lakemore DIFC") is regulated by the Dubai Financial Services Authority. Lakemore UK, Lakemore Partners (Switzerland) GmbH ("Lakemore Switzerland"), LCM LCOF-Master, and Lakemore DIFC are wholly owned subsidiaries of Lakemore Partners. Lakemore Switzerland is registered and domiciled in Zurich, and the purpose of the Swiss entity is to assist with marketing and distribution in Switzerland via an appointed representative.

One of the members of the board of directors of Lakemore Partners is also an independent director on the board of directors and audit committee and member of an affiliate of an investor in one of the Clients managed by Lakemore US. This director has no visibility over the pipeline of potential Lakemore clients and investors or the investment allocation process, is not a member of the Lakemore investment committee, does not direct Lakemore's U.S. business and is not a member of the board (or similar governing body) of any of the investment manager entities which make the investment management decisions for the Lakemore international business.

The directors of Lakemore US are members of the Lakemore Partners Investment Advisory Committee and also directors of Lakemore Partners and several other Lakemore entities.

An affiliate of Lakemore has entered into an agreement with certain investors in one of the Funds managed by Lakemore US, to invest in their CLO platform while also securing an investment from those investors in the Fund (thereby generating fees for the Lakemore US and/or its affiliates). The standalone suitability of each CLO platform

for the Funds & the master fund was validated using the Company's comprehensive screening process, and reviewed and approved by the investment advisory committee.

In providing services to Clients, Lakemore US may use personnel or services of one or more of its affiliated investment advisors via various agreements between advisers. Services provided by these affiliates or their personnel include investment advice, research, portfolio execution and trading, back-office processing, accounting, reporting and Client servicing. These services are provided through arrangements that take a variety of forms, including dual employee, participating affiliate, delegation arrangement, sub-advisory, consulting, or other servicing agreements. When using such arrangements, Lakemore US will remain responsible to the Clients from a legal and contractual perspective. Clients will not be charged any fees other than those specified in the Governing Documents with Lakemore US.

Furthermore, affiliates of Lakemore US act as managing members of the Funds, which are sponsored or co-sponsored by Lakemore US. Lakemore US and its affiliates will also provide services to, and receive fees and reimbursements from, the Fund as specified in the Governing Documents.

Certain affiliates of Lakemore US will provide certain operational services to Lakemore US and/or the Funds. Those services will include servicing and reporting, marketing services and other similar services. Other affiliates will also provide Lakemore US with certain corporate services, including legal, compliance, human resources, and information technology.

Doing business with affiliates could involve conflicts of interest. Many U.S. and non-U.S. laws aim to limit these conflicts of interests. Lakemore US has policies and procedures designed to comply with these laws. In addition, Lakemore US believes that its business relationships with affiliates are carried out on market terms.

Lakemore US does not have any affiliated broker dealers.

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

Lakemore US has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. Supervised persons receive training on the Code and are required to acknowledge their receipt and understanding of the Code initially upon commencement of employment, on an annual basis or upon any material changes. In addition, any employees of Lakemore US's participating affiliates who are deemed to be "access persons" are also subject to the Code.

The Code contains provisions requiring access persons to act in the best interests of Lakemore US's Clients and to comply with the federal securities laws which govern Lakemore US's activities. The Code also contains Lakemore US's personal trading policies and procedures which govern the personal investing activities of its access persons. Lakemore US's Code requires access persons to disclose all of their "covered accounts" (securities accounts, including accounts of immediate family members sharing the same household, over which access person exercise any control or retain a beneficial interest) to the compliance department of Lakemore US.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Company's access persons. In the absence of the CCO's pre-approval, the Code prohibits personal securities transactions of issuers who have been placed on the Company's restricted list. Similarly, initial public offerings and private placements require prior approval from the CCO. The Code requires access persons to report all securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on giving and the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. A copy of Lakemore US's Code of Ethics is available to Clients by contacting Lakemore US's at the address or telephone number listed on the first page of this document.

## **Item 12 Brokerage Practices**

### ***Allocation***

Lakemore US maintains an allocation policy and procedures designed to ensure that allocations of investment opportunities are made on a fair and equitable basis. As far as practicable, where two or more Clients are equally suited to a type of investment opportunity and able and willing to participate, Lakemore US will allocate such investment equitably in order to ensure that each similar Client has equal access to the same quality and quantity of the investment opportunity. In considering whether to aggregate orders, Lakemore US will consider the following guiding factors:

- Appropriateness of investment opportunity to each qualifying product's investment objective and strategy as determined by Lakemore US.
- Qualifying products existing portfolio composition and strategic portfolio requirements and fit of investment opportunity with such requirements.
- Expected returns and risk of such investment opportunity.
- Consideration of other investment opportunities available to each qualifying product.
- Qualifying product's concentration levels with regards to vintage, underlying collateral manager, style of underlying collateral manager and other concentration metrics as determined by Lakemore US that may present potential concentration risks.
- The nature of control on the investment and whether such level of control is acceptable to the portfolio objectives at the time for each such fund, and the implications for future marketability of the investment.
- Available cash and cash liquidity requirements of each qualifying product to be able to close on such investment in a timely manner.
- Target exit horizon expectations of qualifying product vs investment opportunity.

- Implications on control rights held by the qualifying product. In the event allocations result in shared control between multiple qualifying products, Lakemore shall make every reasonable attempt to ensure that control right decisions are made keeping in mind the interest of each qualifying product.
- Whether allocation of an investment opportunity would be insufficient to make up a meaningful portion of an individual qualifying product portfolio.
- The avoidance of odd lots or excessive transaction costs relative to the size of the qualifying Fund's participation in the investment opportunity.
- Any such allocation is compliant with securities allocation laws and regulations.
- Transactions are allocated promptly, usually on the trade date, and no reallocations are permitted from one qualifying Fund to another except where the original allocation was done in error.
- Lakemore US will use its best commercial efforts to generally allocate investment opportunities as follows, subject to the above considerations:
  - First, on a pro rata basis to qualifying Funds and their related co-investment vehicles (if applicable) (calculated by reference to undrawn capital commitments and uninvested capital), provided that, a qualifying Fund that has an initial closing prior to another qualifying Fund shall have (and its related co-investment vehicles shall have) priority until such qualifying Fund (and its related co-investment Vehicles) is fully invested, excluding any re-investment. For the avoidance of doubt, in the event that an investment is not fully subscribed by the qualifying Fund (and its related co-investment Vehicles) to which such investment was allocated to, the remaining available investment amount will be offered to the next qualifying Fund (and its related co-investment Vehicles) that is in its initial deployment phase.
  - Second, on a pro rata basis to qualifying managed Accounts (calculated by reference to undrawn capital commitments and uninvested capital), provided that, any qualifying managed Accounts established and funded in a calendar year shall generally be offered investment opportunities in priority to any qualifying managed Accounts established and funded in any subsequent calendar years.
  - Third, to co-Investors, subject to any rights agreed with any such co-Investors.
  - Fourth, on a pro rata basis to qualifying Funds, co-investment vehicles and managed Accounts that are re-investing sale proceeds or excess cash reserves.
  - Fifth, on a pro rata basis to Other products, subject to any rights agreed with such other products.

No allocations will be made to the personal account of the portfolio management team or any access person.

Lakemore will review the guiding factors on an ongoing basis as required and at least annually and refine the allocation guiding factors as required in line with the Policy objectives.

### ***Selection of Brokers***

Investment and brokerage decisions for Clients, to the extent such discretion has been granted to Lakemore US, will be made by portfolio managers and traders. In placing brokerage transactions for accounts with respect to which Lakemore US has been granted trading discretion, Lakemore US will evaluate a variety of criteria and uses good faith judgment in seeking to obtain best execution of portfolio securities transactions.

Lakemore US places orders for the purchase and sale of other portfolio investments for its Clients through a substantial number of brokers and dealers. In seeking the best execution reasonably available under the circumstances and having in mind its Clients' best interests, Lakemore US selects broker-dealers to execute trades considering all factors it believes to be relevant.

### ***Trade Errors***

Although there exists no standard definition of what constitutes trading errors, examples of trade errors include the following:

- Purchasing securities not legally permitted for the Clients, or not within a Clients' investment guidelines; and
- Purchasing or selling the wrong quantity of securities, or unintended securities for the Clients.

Lakemore US has established trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

Lakemore US's general policy is to seek to identify and correct any trade errors promptly and in a way that mitigates any losses. Trade errors in the Clients' account will be borne by the Clients unless an error is the result of the Company failing to meet the applicable duty of care. Lost opportunity is not a reimbursable loss. Lakemore US will not be responsible for any indirect, consequential, or punitive damages for purposes of this policy.

It is Lakemore US's policy that all trade errors are identified and evaluated. The purpose of the trade error policy is to provide guidance on identifying, correcting, and documenting errors when committed by Lakemore US in a manner that is fair and equitable to the Clients.

### ***Soft Dollars/Commission Sharing***

Lakemore US does not participate in soft dollar arrangements.

## **Item 13 Review of Accounts**

All Fund portfolios will be monitored on an ongoing basis. As markets conditions change, the impact on each Fund will be assessed. Lakemore US has appointed investment team managers, who will be responsible for the daily supervision and management of the portfolio advisors and analysts within the investment teams.

Investors will receive quarterly reporting on the Fund's performance and the Investor's capital activity. The frequency and content of reporting depends on the requirements agreed with Clients upon account set-up.

Investors should carefully review any statements and reports received.

## **Item 14 Client Referrals and Other Compensation**

### ***Economic Benefits for Providing Services to Clients***

Lakemore US does not receive economic benefits as a result of investment advice or investment advisory services provided by Lakemore US to the Clients, other than from the Clients. Employees of Lakemore US are required to report gifts and entertainment received from or given to a business associate in excess of \$250. All such gifts or entertainment must be reported to the CCO or his designee at the time of receipt.

### ***Compensation to Non-Supervised Persons for Client Referrals***

From time to time, we may pay a non-affiliated third-party ("Solicitor") a fee or compensation for referral to us of a prospective client in a separate account or prospective investor in a private fund. The Solicitor is required to provide prospective clients and investors with certain information at the time of the referral. The Solicitor must clearly and prominently state that compensation was provided for the referral and identify the conflicts of interest associated with the referral relationship. In addition, the Solicitor must direct prospective clients and investors where they can find additional disclosures regarding the material terms of any compensation arrangement, including a description of the compensation provided for the referral and a description of the conflicts of interest on the part of the Solicitor. We oversee these referral arrangements to ensure that they meet the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940.

We may pay persons affiliated with us a fee or compensation for referring to us a prospective client in a separate account or a prospective investor in a private fund. Those persons are not required to provide the disclosures referenced above, but are still subject to oversight by us. Such persons will disclose the nature of their affiliation with us at the time they solicit a prospective client or investor.

## **Item 15 Custody**

Lakemore US's Fund will maintain custody arrangements with independent qualified custodians to safeguard their funds and securities.

Lakemore US or an affiliate will act as the Managing Member for Fund(s) that Lakemore US advises, and Lakemore US will therefore be deemed to have “custody” of the Funds as defined in Rule 206(4)-2 under the Advisers Act.

The Funds are subject to an annual audit by an independent auditor subject to public company accounting oversight board (“PCAOB”) oversight, and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles, issued with an unqualified opinion, and distributed within 120 days of the Funds’ fiscal year end.

## **Item 16 Investment Discretion**

Lakemore US will maintain investment discretion over all investment activities in the Fund(s) in accordance with the terms of each Fund’s Governing Documents.

## **Item 17 Voting Client Securities**

Lakemore US’s investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Client will be placed in a position of proxy voting authority. However, if a Client does come into possession of securities with voting rights, the Company will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its Clients.

## **Item 18 Financial Information**

### ***Balance Sheet***

Lakemore US is not required to attach a balance sheet because Lakemore US does not require or solicit the payment of fees 6 months or more in advance.

### ***Contractual Commitments to Our Clients***

Lakemore US does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

### ***Bankruptcy Petitions***

Lakemore US has not been the subject of a bankruptcy petition at any time during the past 10 years.