

**Assurant Investment Management LLC**

**28 Liberty Street, 41<sup>st</sup> Floor  
New York, NY 10005**

March 2019

This brochure ("Brochure") provides information about the qualifications and business practices of Assurant Investment Management LLC, and its relying advisers, Assurant CLO Management, LLC and AIM Real Estate GP, LLC. If you have any questions about the contents of this Brochure, please contact us at 212-859-5877 or by email to the Chief Compliance Officer, Dar Patel at [dar.patel@assurant.com](mailto:dar.patel@assurant.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about AIM is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration as an investment adviser does not imply any level of skill or training.

**Item 2 - Material Changes**

This annual amendment updates the Brochure that was last filed by Assurant Investment Management LLC ("AIM" or the "Firm") on December 2017 and includes changes made since AIM's initial registration in January 2017. References in this Brochure to AIM shall be deemed to include references to its relying advisers, Assurant CLO Management, LLC and AIM Real Estate GP, LLC unless the context clearly indicates otherwise. Please note that the following is a summary of the material changes made to this Brochure:

- Item 4 was updated to reflect AIM's assets under management as of December 31, 2018.
- Item 10 was updated to reflect a certain of interest in connection with the possibility of property level insurance provided by affiliates of AIM for properties that the RE Funds invest in.

**Item 3 - Table of Contents**

Item 1 – Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation .....	6
Item 6 - Performance Fees and Side-by-Side Management .....	7
Item 7 - Types of Clients .....	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 - Disciplinary Information .....	18
Item 10 - Other Financial Industry Activities and Affiliations .....	18
Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading .....	20
Item 12 - Brokerage Practices .....	21
Item 13 - Review of Accounts .....	22
Item 14 - Client Referrals and Other Compensation .....	22
Item 15 - Custody .....	22
Item 16 - Investment Discretion .....	22
Item 17 - Voting Client Securities .....	22
Item 18 - Financial Information .....	23

**Item 4 - Advisory Business**

Assurant Investment Management LLC is an investment adviser with its principal place of business in New York, New York. AIM is a limited liability company that was formed on January 29, 2016, under the laws of the State of Delaware. AIM is a wholly owned subsidiary of Interfinancial Inc. ("IFI"), a corporation formed in 1980 under the laws of the State of Georgia. IFI is a wholly owned subsidiary of Assurant, Inc., a publicly traded holding company, operating across a number of specialized business lines. As of December 31, 2018, AIM had approximately \$1,613,499,660 in regulatory assets under management, including assets for a private fund and the CLOs.

Assurant invests proprietary and affiliate capital through its in-house asset management division, Assurant Asset Management ("AAM"). AAM operates as a distinct business group within Assurant, with dedicated employees. AAM is responsible for managing Assurant assets and assets associated with Assurant's businesses, primarily regulated insurance companies, (collectively, the "Affiliated Accounts"). As of December 31, 2018, the AUM for the Affiliated Accounts was approximately \$11.9 billion.

AIM was formed to provide investment advisory services to qualified, sophisticated and institutional investors. AIM leverages the dedicated AAM employees (the "Employees") and the resources, support and infrastructure of Assurant. The Employees are subject to AIM Supervisory Procedures & Compliance Manual and the AIM Code of Ethics.

AIM provides investment advisory services on a discretionary and non-discretionary basis through various investment structures including private co-mingled funds (collectively the "AIM Funds"). The AIM Funds expect to invest in the following asset classes:

- Real estate and real estate related assets (referred to as the "RE Funds")
- Syndicated bank loans which are pooled in investment vehicles known as collateralized loan obligations (referred to as the "CLOs")

Each of the AIM Funds is managed in accordance with the investment strategy and investment objectives detailed in the governing documents and offering documents, as applicable. AIM provides investment management services for the RE Funds and for the CLOs. The Employees are responsible for managing the assets of the AIM Funds and the Affiliated Accounts, which employ a variety of investment strategies. The Affiliated Accounts may invest directly in the AIM Funds, but are not "clients" of AIM as that term is understood under the Advisers Act. For a more detailed discussion of this relationship, please review Item 10.

AIM Real Estate GP, LLC ("AREGP") was formed in 2016. AREGP, a relying adviser, is a privately owned alternative asset manager founded and owned by affiliates of Assurant. AREGP acts as the general partner and investment adviser to the RE Funds.

Assurant CLO Management, LLC was formed in 2017. ACM, a relying adviser, is a privately-owned alternative asset manager founded and owned by affiliates of Assurant. ACM acts as collateral manager of the CLOs. ACM, AREGP and AIM generally have common policies and procedures and certain AIM employees will also be employees of ACM. Further, AIM provides employees and services to ACM pursuant to a staffing and services arrangement.

AIM is paid a fee by ACM to provide certain services including investment related services (described in Item 10) to ACM.

### RE Funds

AIM identifies investment opportunities for the RE Funds and participates in the acquisition, management, monitoring and disposition of each RE Fund's investments. Except for the initial determination as to a person's qualifications for investment in each RE Fund, the individual needs of the limited partners in each RE Fund are not considered in the management of the RE Fund and are not the basis of investment decisions by AIM. Investment advice is provided directly to each RE Fund and not individually to each of the limited partners.

Investment services are tailored in accordance with the governing documents and offering documents each RE Fund, which may impose restrictions on investing in certain securities (e.g., passive public company investments), or types of securities or investments (e.g., geographic limitations). Individual limited partners may not impose investment restrictions on management of a RE Fund beyond those negotiated and agreed to within the governing documents and offering documents of a RE Fund and/or side letters, where applicable.

As of the date of this filing, the sole RE Fund is the AIM Real Estate Co-Investment Fund, LP, which is operated by AIM Real Estate GP, that RE Fund's general partner, and AIM, which serves as the investment manager.

### CLOs

AIM provides investment management services to special purpose vehicles that issue CLOs in accordance with the terms and conditions detailed in the governing documents and offering documents, of each such CLO.

ACM facilitates compliance with Section 15G of the Securities Exchange Act of 1934, as amended by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "U.S. Risk Retention Requirements") and EU Capital Requirements Directive (No. 2013/36/EU) (the "European Risk Retention Requirements"). As such, ACM's primary business consists of, (i) acting as collateral manager of CLOs and related warehouse facilities; (ii) engaging in loan origination and/or trading activities, including but not limited to, originating loans for its own account as an "originator" for the purposes of EU Risk Retention Requirements; and (iii) acting as the holder of CLO Notes for the purpose of complying with (a) U.S. Risk Retention Requirements ("U.S. Risk Retention Interests") and (b) European Risk Retention Requirements ("EU Risk Retention Interests", and collectively with the U.S. Retention Interests, the "Retention Interests"). AIM affiliate(s) provide capital for ACM's purchase of the Retention Interests in certain CLO transactions. ACM also operates as an "originator" for the purposes of the EU Risk Retention Requirements and is intended to facilitate compliance with similar risk retention rules that are in place in the European Union. AIM is paid a fee by ACM to provide certain services as set forth under Item 10 - Other Financial Industry Activities and Affiliations.

The information provided above regarding the investment advisory services provided by AIM is qualified in its entirety by reference to the relevant AIM Fund's governing documents and offering documents. The offering documents for each AIM Fund should be read carefully prior to investment. No offer to sell interests in the AIM Funds is made by the descriptions in this Brochure.

**Item 5 - Fees and Compensation*****Management Fees******RE Funds.***

As the investment adviser to the RE Funds, AIM is paid a management fee calculated as a percentage of committed or invested capital at various times during the life or term of the RE Fund, as set forward in the applicable governing documents for the RE Fund.

***CLOs.***

As compensation for its services as the collateral manager of the CLOs, ACM is entitled to be paid management fees (other than the Incentive Collateral Management Fee which is not to be payable unless and until the CLO's performance exceeds its designated hurdle rate, described in more detail below in Item 6). The management fee will be generally calculated as a percentage of the aggregate amount of the assets under management for each CLO. Generally, ACM's CLO collateral management fees (exclusive of the incentive fee) are expected to have two components: a senior management fee and a subordinated management fee (the "Collateral Management Fees"). The Collateral Management Fees will typically be paid quarterly in arrears in accordance with the priority of payment waterfall set forth in the indenture of each CLO. Management fees may be different from CLO to CLO.

A full description of the calculation and terms of the management fees are provided in the relevant AIM Fund's governing and offering documents. Under certain circumstances, AIM may waive or modify management fees for any investor in any of the AIM Funds.

AIM or an affiliate may also receive performance-based fees and/or carried interest from the AIM Funds. Please see Item 6 of this Brochure for more information on performance-based fees and/or carried interest expected to be received by AIM or its affiliate(s).

***Other Expenses***

Although the AIM Funds generally bear their pro rata share of costs and expenses collectively incurred on their behalf, Assurant and/or AIM may, from time to time, bear some or all of the ordinary day-to-day expenses incidental to the operations of the AIM Funds.

***RE Funds.***

Each RE Fund is generally responsible for the operating costs and expenses incurred solely by such RE Fund, including, but not limited to:

- fees, costs and expenses incurred solely by the RE Fund in connection with the annual audit, partnership tax preparation and filings; and
- any legal and regulatory fees incurred directly by the RE Fund.

Each RE Fund will bear ongoing and operating expenses related to consummated investments, which may include:

- the cost of legal fees related to the negotiation or structuring of the transaction;
- any capitalized transaction costs; and
- maintenance costs of any special purpose vehicle(s) used in the transaction, provided, however, that to the extent the Assurant affiliates invest alongside the Fund in a consummated investment, they, along with the Fund, will share on a pro rata basis the expenses set forth in this paragraph with respect to such consummated investment.

There are additional fees and expenses that are borne by AIM for the AIM Real Estate Co-Investment Fund, LP, these fees and expenses include:

Expenses borne by Assurant and/or AIM on behalf of the AIM Real Estate Co-Investment Fund:

- the fund administration fees charged to the RE Fund;
- the costs incurred in sourcing ultimately unconsummated investments, including legal fees; and
- the cost of liability insurance for director(s) and officer(s).
- Offering and organizational expenses:
  - o legal fees and costs directly associated with the organization and offering of the RE Fund; legal fees incurred in connection with providing advice regarding the structure of the RE Fund, forming the relevant entities, preparing the RE Fund documents; and
  - o legal fees in connection with the in-kind contribution of the Assurant affiliates and the subscription process for investors.

A full description of the expenses borne by each RE Fund is provided in its governing and offering documents. Some expenses borne by AIM for the AIM Real Estate Co-Investment Fund, LP, may be charged to the RE Funds sponsored and/or managed by AIM in the future.

*CLOs.*

Each CLO is generally responsible for certain other fees and expenses incurred solely in relation to its ongoing operations, including:

- CLO taxes, duties and governmental charges
- trustee fees and expenses related solely to the CLO
- collateral administration fees and expenses related solely to the CLO
- collateral manager fees and expenses related solely to the CLO
- fees and expenses of independent accountants related solely to the CLO
- agents and counsel fees related solely to the CLO
- fees and expenses of rating agencies in connection with the rating of the notes issued by the CLO and any rating of collateral obligations held by the CLO
- brokerage fees
- all litigation-related and indemnification expenses incurred by the CLO; and
- other expenses related solely to the CLO.

AIM allocates any such fees and expenses among the CLOs, as appropriate and in a manner AIM determines to be equitable. AIM will be reimbursed for such fees and expenses for which each CLO is responsible to the extent funds are available in accordance with and subject to the priority of payments and the other limitations that may be contained in each CLO's indenture.

For a more detailed discussion of brokerage and transaction costs, investors are directed to "Item 12: Brokerage Practices."

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

### **Performance Fees**

*RE Funds.*

Pursuant to the governing documents for a RE Fund, the general partner of such RE Fund may be entitled to receive "carried interest" with respect to each limited partner of such RE Fund, which is generally equal to a percentage of such limited partner's investment profits. The carried interest may be subject to the satisfaction of a preferred return or hurdle. The

carried interest is expected to generally be paid out of proceeds realized from investments of the RE Fund. Each RE Funds' general partner is an affiliate of AIM. Each RE Fund's general partner may waive or modify the carried interest distributions of any limited partner in the RE Funds.

#### **CLOs.**

Pursuant to the governing documents for a CLO, ACM may also receive a performance based fee referred to as the incentive collateral management fee ("Incentive Collateral Management Fee"). The Incentive Collateral Management Fee will not be payable unless and until the CLOs performance exceeds its designated hurdle rate (outlined in its indenture and usually referencing a certain internal rate of return on the equity investment). Thereafter (so long as the hurdle rate continues to be realized), the Incentive Collateral Management Fee will be payable to ACM on a quarterly basis and will be equal to a stated percentage of the amount available for distribution to the CLO's equity investors. ACM may waive or modify the Incentive Collateral Management Fee of any investor in the CLO.

The carried interest distributions and Incentive Collateral Management Fee are charged in compliance with Section 205 of and Rule 205-3 under the Advisers Act.

A full description of the carried interest distributions and Incentive Collateral Management Fee is provided in the relevant AIM Fund's governing and offering documents.

The carried interest distributions and the Incentive Collateral Management Fees may create an incentive for ACM (or its affiliate(s)) to favor, or to take increased investment risk with respect to, AIM Funds from which it (or its affiliate(s)) receives higher carried interest or Incentive Collateral Management Fees relative to other AIM Funds. To mitigate this potential conflict of interest, AIM is subject to an investment allocation policy, which is designed to ensure that investments are allocated on a fair and equitable basis over time. These policies and procedures and others that are designed to mitigate conflicts of interest are described in Item 10.

### **Item 7 - Types of Clients**

AIM provides investment advice directly to the AIM Funds. Each AIM Fund's respective governing and offering documents set forth the eligibility criteria and minimum investment requirements, which may be waived or modified at the discretion of the AIM Fund's general partner or AIM, as applicable, pursuant to such AIM Fund's governing documents.

Generally, interests in the RE Funds may only be acquired by certain investors that meet the criteria of "accredited investors," as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and a "qualified client," as defined in Rule 205-3(d)(1) under the Advisers Act.

Generally, interests in the CLOs may only be acquired by certain investors that meet the criteria of "qualified institutional buyer" as defined in Rule 144A under the Securities Act or, in certain cases, "accredited investor," as defined in Regulation D of the Securities Act and that are, in each such case, a "qualified purchaser," as defined in Section 2(a)(51) of the Investment Company Act.



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

AIM will employ various investment strategies for the AIM Funds, which are summarized below. More information on the AIM Funds' investment strategies, methods of analysis and material risks can be found in each AIM Fund's governing and offering documents.

***RE Funds.***

The RE Funds' investment strategies include making equity and opportunistic investments in real estate and real estate related assets across a variety of asset classes including but not limited to: multifamily residential housing, office, industrial, for-sale condominium, and hospitality.

AIM focuses on identifying investment opportunities to acquire or invest in undervalued real estate assets, assets in need of repositioning, redevelopment, re-leasing, new real estate developments, and existing stabilized or underperforming assets where a business plan envisions enhancing existing income and/or long-term value.

The RE Funds' investments will generally be structured as equity or preferred equity investments, and may include investments in joint-ventures, property owners, developers and other real estate related partnerships or entities. Investments generally involve medium to long term holding periods.

AIM has a consistent investment philosophy and an institutional investment process that (1) establishes and develops the RE Funds' investment strategies and (2) supports and guides the execution of investments against these strategies.

In addition, the Employees collectively possess decades of industry experience and over the years have formed long standing relationships, which together support AIM's ability to source, evaluate, structure and execute investments.

AIM has a disciplined investment process to review potential investments, which includes:

- Market Underwriting & Analysis
- Investment Screening / Theme & Strategy Consistency
- Investment Underwriting and Due-Diligence
- Investment Strategy / Risk Analysis
- Approval
- Structuring & Asset Management
- Investment Exit

***CLOs.***

The CLOs' investment strategies include investing in syndicated bank loans. The Employees include a team of dedicated credit research investment professionals, who are industry specialists covering issuers within their industry coverage universe. AIM carefully scrutinizes all potential investment opportunities through an in-depth approach to credit. AIM's fundamental approach to analyzing credit includes various factors, which among other things, includes:

- Industry Outlook and Trends
- Business Profile and Competitive Positioning
- Cash Flow Metrics
- Enterprise Value Coverage

- Collateral Coverage
- Capital Structure Analysis
- Management Team
- Covenant Review
- Relative Value Analysis

Once an investment is approved by ACM and a holding of a CLO, portfolio holdings are consistently reviewed to evaluate credit trends and highlight any new potential risks and/or opportunities. Key metrics are tracked by the appropriate investment professional and continuously discussed with the portfolio managers.

### ***Risk of Loss***

The AIM Funds may be deemed to be highly speculative investments and are designed only for sophisticated persons. The following risks should be carefully evaluated before making an investment in any of the AIM Funds. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment in any of the AIM Funds. Please refer to the particular AIM Fund's governing and offering documents for a more complete description of risks of investment related to such AIM Fund.

*AIM and the AIM Funds have a limited operating history.* Although AIM's management team has significant experience in real estate and credit analysis, AIM and the AIM Funds have a limited operating history upon which an investor can base its investment decision.

*No Assurance of Investment Returns.* AIM cannot give investors assurance that investments will generate returns or that returns will be commensurate with the risks of investing in the types of assets held by the AIM Funds.

*The AIM Funds will be dependent on AIM and key Employees.* The ability of AIM to manage the AIM Funds' investments depends on the experience, relationships and expertise of its management team and key Employees. There can be no assurance that these individuals will remain with AIM or otherwise continue to be able to carry on their current duties for AIM. In addition, the majority of the assets currently managed by AAM and AIM are managed by AAM for the Affiliated Accounts. Because the Employees that manage assets for the Affiliated Accounts are also the personnel that manage assets for the AIM Funds, certain Employees may have conflicts in allocating their time and services among the AIM Funds and the Affiliated Accounts.

*Investors will have limited recourse against AIM and its affiliates.* The AIM Funds' governing documents limit the circumstances under which AIM and their affiliates, including their officers, directors, partners, employees, shareholders, members and other agents, can be held liable to the AIM Funds and the investors. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Investors will be exposed to business and regulatory risks. Legal, tax and regulatory changes in the U.S. and outside the U.S. could occur and likely will adversely affect investors and AIM. The regulatory environment for private investment vehicles is evolving, and changes in such regulation may adversely affect the value of investments held by investors. In addition, the financial markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect the implementation of AIM's investment strategy. Alternatively, new U.S. or non-U.S. rules or legislation regulating investors or AIM are likely to be adopted, and the

possible scope of any rules or legislation is unknown. There can be no assurances that investors or AIM will not in the future be subject to regulatory review or discipline. The effect of any regulatory changes or developments on investors or the financial markets will be expected to affect the manner in which AIM performs its advisory services. The effect of any future regulatory change could be substantial and adverse and is beyond the control of AIM.

*RE Funds.*

The following risks should be carefully evaluated before making an investment in the RE Funds. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment in RE Funds. Please refer to RE Funds' offering documents for a more complete description of risks.

*Investing in real estate will expose the RE Funds to a high degree of risk.* The RE Funds may be deemed to be a highly speculative investment and are designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment and who have a limited need for liquidity in their investment. The ultimate performance of the RE Funds' investments will be subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property and related assets. Revenues may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the RE Funds. In the event that any of the properties or related assets that comprise the RE Funds' investments experience any of the foregoing event or occurrences, the value of and return on such investments would be negatively impacted.

*The success of the RE Funds will depend on the availability of, and the degree of competition for, attractive investments.* The RE Funds' operating results will be dependent upon the availability of, as well as AIM's ability to identify, consummate, manage and realize attractive real estate and related investment opportunities. No assurance can be given that the RE Funds will be successful in identifying and consummating investments that satisfy the RE Funds' rate of return objective or that such investments, once consummated, will perform as expected. The RE Funds will be engaged in a competitive business and will be competing for attractive investments with existing investment funds and other funds formed in the future with similar investment objectives.

*The RE Funds' investments may be illiquid.* Real estate investments are relatively illiquid. Such illiquidity may limit the RE Funds' ability to modify its portfolio of investments in response to changes in economic and other conditions. Illiquidity may also result from the decline in value of a property comprising one of the RE Funds' investments. There can be no assurances that the fair market value of any property held by the RE Funds will not decrease in the future, leaving the RE Funds' investment relatively illiquid.

*The RE Funds could be affected by risks associated with real estate development.* The RE Funds may acquire direct and indirect equity interests in real estate developments. To the extent that the RE Funds invest in such development activities, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the, such as weather

or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms.

*The RE Funds may not be able to obtain leverage; the use of leverage will expose the RE Funds to certain risks.* AIM expects to utilize leverage with the goal of enhancing the RE Funds' returns. The RE Funds' (including its vehicles) failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the RE Funds' returns. Use of leverage will subject the RE Funds to risks normally associated with debt financing, including the risk that the RE Funds' cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced and the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness.

*Unknown or Contingent Liabilities; Environmental and Casualty Risks.* Assets and entities acquired or that may be acquired in the future, may be subject to unknown or contingent liabilities for which the RE Fund may have limited or no recourse against sellers of the properties. The properties the RE Fund will target for investment will be subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of the environment. Environmental laws may result in delays, may cause the RE Fund to incur substantial compliance and other costs and may prohibit or severely restrict development in certain environmentally sensitive regions or areas. Furthermore, an owner of real property may be liable for the costs or removal or remediation of certain hazardous or toxic substances on or in such property. The RE Fund plans to obtain liability, fire, flood, extended coverage, rental loss insurance and/or other types of insurance for its investments with such insured limits and policy specifications as AIM believes are customary. However, certain losses of a catastrophic nature, such as those caused by wars, mold, earthquakes, terrorist attacks, or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the RE Fund's profitability. If a major uninsured loss were to occur with respect to an investment, the RE Fund could lose both its invested capital and anticipated profits related to such investment.

*Renovation, Development, Redevelopment or Value-Add Properties.* It is expected that a portion of the RE Fund's properties will require some level of renovation immediately upon their acquisition or in the future following expiration of a lease or otherwise. Consequently, it is expected that the RE Fund will be exposed to all of the risks inherent in property renovation, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy and poor workmanship.

#### CLOs.

The following risks should be carefully evaluated before making an investment in the CLOs. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment in the CLOs. Please refer to CLOs' offering documents for a more complete description of risks.

*Investing in collateralized loan obligations may expose investors to a high degree of risk.* The CLOs may be deemed to be a highly speculative investment and is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment and who have a limited need for liquidity in their investment. The CLOs will invest primarily in syndicated bank loans issued by non-investment grade issuers, which are subject to liquidity, market value, credit, interest rate, regulatory, reinvestment and certain other risks. Prices of such collateral and prices of the CLOs' securities may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, and may be difficult to value Syndicated bank loans issued by non-investment grade issuers

have historically experienced greater default rates and lower recovery rates than has been the case for investment grade loans and debt securities. An economic downturn could severely disrupt the market for such loans and adversely affect the value of outstanding such loans and the ability of the borrowers thereunder to repay principal and interest.

*The notes issued by the CLOs are limited- or non-recourse obligations.* The secured notes issued by the CLOs are limited recourse obligations and the subordinated notes issued by the CLOs are non-recourse obligations, meaning, among other things, that, though such secured and subordinated notes contemplate periodic payments, no person or entity will be obligated to make such payments in the event of a default or unavailability of assets. Investors must rely solely on distributions on the collateral underlying each of the securities within the CLOs for the payment of principal and interest on such notes. If distributions on the collateral are insufficient, no other assets will be available for payment of any such deficiency.

*The notes issued by the CLO will have limited liquidity and are subject to substantial transfer restrictions.* No market exists for CLO notes, and there can be no assurance that any secondary market for such notes will develop. CLO notes issued have experienced historically high volatility and significant fluctuations in market value over recent years. Consequently, a purchaser of CLO notes must be prepared to hold the notes for an indefinite period of time or until their stated maturity. In addition, the CLO notes will not be registered under the Securities Act or any state securities laws, and will be subject to certain transfer restrictions described in the CLOs' offering documents.

*The CLOs may be subject to concentration risk.* The CLOs will invest in a portfolio of collateral consisting primarily of assignments of or participations in loans. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected, the concentration of the portfolios in any one obligor would subject the CLO securities to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject the securities to a greater degree of risk with respect to economic downturns relating to such industry.

*CLOs are highly leveraged investment vehicles.* Leverage is embedded in all classes of a CLO other than the most senior tranche (the "Leveraged Classes"). The subordinated (unrated) notes and mezzanine notes issued by CLO, in particular, represent highly leveraged investments in the underlying CLO collateral. Although leverage presents opportunities for increasing a CLO's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of a portfolio investment would be magnified for the Leveraged Classes. The cumulative effect of the use of leverage by CLOs in a market that moves adversely to such CLOs' investments or in the event portfolio investments experience credit quality deterioration could result in a substantial loss to the Leveraged Classes that could be substantially greater than if such classes were not leveraged.

*The CLOs may charge substantial fees and expenses.* CLOs typically pay management fees, offering and organizational expenses and operating expenses as set forth in their governing documents, whether or not they make any profits. While it is difficult to predict the future expenses of clients, such expenses may be substantial. Please see Item 5 for additional information on fees and expenses.

*Risks of investing in syndicated bank loans CLOs may be reliant on certain financial institutions when purchasing syndicated bank loans.* Loans are typically negotiated by one or more commercial banks or other financial institutions and syndicated among a group of commercial banks and financial institutions and other investors, including the CLOs. The Issuer may acquire interests in loans either directly (by way of assignment from the selling



institution) or indirectly (by purchasing a participation interest from the selling institution). Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan. Participations by the Issuer in a selling institution's portion of a loan typically result in a contractual relationship only with such selling institution, not with the borrower. In the case of a participation interest, the Issuer will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the borrower. By holding a participation interest in a loan, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, and the Issuer may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the CLO will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable loan.

*Rising interest rates may affect the ability of obligors to meet interest payments.* Syndicated bank loans typically pay interest based upon floating rates. During periods of rising interest rates, the total payment obligations of the borrowers, issuers or obligors of floating rate debt will increase, perhaps significantly. This in turn could lead to an increase in default rates on such investments.

*All syndicated bank loans' contractual interest and principal may not be received.* Syndicated bank loans may become non-performing for a variety of reasons and as a result may require substantial workout negotiations or restructuring that may include a substantial reduction in the interest rate, a substantial reduction of the principal or a substantial extension of the amortization or maturity date of the loan. Any such event will likely cause a significant decrease in the interest collections on the loan and/or a significant decrease in the principal collections on the loans. Although some syndicated bank loans in which a portfolio will invest will be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of bankruptcy of a borrower, the portfolio could experience delays or limitations in its ability to realize the benefits of any collateral securing a senior loan. If a default occurs with respect to a syndicated bank loan, and the holder of the loan sells or otherwise disposes of the loan, the proceeds of the sale or disposition will likely be less than the unpaid principal and interest thereon.

*Syndicated bank loans may be illiquid.* Because of the unique and customized nature of a loan and the private syndication of a loan, certain syndicated loans may not be purchased or sold as easily as publicly traded securities, and the trading volume in the syndicated loan market has been small relative to the market for high-yield bonds. Trading in loans is subject to delays due to their unique and customized nature, and transfers may require extensive documentation, the payment of significant fees and the consent of an agent bank or the underlying obligor.

*Syndicated bank loans may be subject to prepayment risk.* The syndicated bank loans in which the CLOs will invest are generally pre-payable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon. Prepayments may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased by a CLO at a price greater than par may experience a capital loss as a result of such a prepayment.

*Certain syndicated bank loans may be subordinate to other obligor securities.* Some bank loans acquired by the CLOs may be subordinated loans, which are typically subject to intercreditor arrangements, which may prohibit or restrict the ability of the investor to

exercise rights against the obligor with respect to their second liens, to challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens, to challenge the enforceability or priority of the first liens on the collateral, and to exercise certain other secured creditor rights, both before and during a default or bankruptcy of the obligor. During a bankruptcy of the obligor, the holder of a junior loan may have to give advance consent to any use of cash collateral approved by the first lien creditors, sales of collateral approved by the first lien lenders and the bankruptcy court, and debtor-in-possession financings. In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories. Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the obligor or has assumed a degree of control over the obligor that creates a fiduciary duty owed to the obligor or its other creditors or shareholders. Because of the nature of bank loans, a CLO acquiring syndicated bank loans could be subject to allegations of lender liability made against it as part of a group of lenders and may be liable for pro rata liabilities of the agent or lead lender.

*Existing and potential changes in federal and state regulations may have an impact on CLOs.* Recent legal and regulatory changes, and additional legal and regulatory changes that could occur during a CLO's applicable term, may adversely impact CLOs. The regulation of the US and non-US securities and futures markets and investment funds has undergone substantial change in recent years and such change may continue. The effect of such new regulations on CLOs, while impossible to predict, could be substantial and adverse and may, directly or indirectly, subject CLOs to increased capital requirements, fees and expenses, as well as limits on the types of investors they may solicit. The full effect of recent and future legislation cannot yet be known. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the activities of a CLO can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the CLO's interests. It is impossible to predict what, if any, changes in regulation applicable to CLOs or AIM, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. CLOs and/or AIM may be or may become subject to unduly burdensome and restrictive regulation.

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying regulatory changes may increase the exposure of CLOs to potential liabilities and to legal, compliance and other related costs and may have an adverse effect on private funds generally, and in particular, on the ability of CLOs to achieve their investment objectives. The private fund industry may continue to be adversely affected by the recent developments in the financial markets in the US and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of CLOs, operations and performance.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), among other things, granted regulatory authorities such as the Commodity Futures Trading Commission (the "CFTC") and the SEC broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives and consumer finance markets. These expanded powers have resulted in rules that could adversely affect CLOs or investments made by CLOs.

CLOs may also indirectly be affected by regulation of banks and other financial services firms with which the CLOs do business, obtain financing or other services, or seek to sell

interests in loan securitizations. The regulatory regimes applicable to financial services firms with which CLOs do business may increase borrowing costs or limit the terms or availability of credit, affect the terms or pricing of loan securitizations, affect the collectability of loans, or have other indirect effects.

Section 619 of the Dodd-Frank Act, more commonly known as the Volcker Rule, has been implemented by final interagency rules adopted in December 2013. The Volcker Rule generally prohibits various covered banking entities from (x) engaging in proprietary trading and (y) acquiring ownership interests in, sponsoring, or engaging in certain activities with, "covered funds" as defined thereunder. Although each CLO is expected to be structured in a manner intended to bring such CLO within the "loan securitization" exclusion under the Volcker Rule and, therefore, to cause such CLO not to be a covered fund for purposes of the Volcker Rule, there can be no assurance that any CLO does not and will not otherwise meet the definition of "covered fund" under the Volcker Rule. If the Issuer is determined to be a "covered fund", such determination could have a significant negative impact on the liquidity of the CLO securities or on the ability of any covered banking entity to make a market in such securities, if it chooses to do so.

These new and expanded regulations and regulatory powers may reduce returns to investors in bank loan portfolios as a result of, among other things, additional compliance and administrative expenses, administrative enforcement actions and fines by state or federal regulators.

*ACM may be subject to changes in the Risk Retention Rules that may affect its ability to serve as investment manager.* In accordance with final risk retention rules promulgated under Section 941 of the Dodd Frank Wall Street and Consumer Protection Act (the "Final Rules") and Articles 404-410 of the EU Capital Regulation Requirements (as the same may be amended and including any similar or successor statutes or regulations) ("EU Capital Regulation Requirements" and together with the Final Rules, the "Risk Retention Rules"), ACM or its affiliates will retain interests in the CLOs and CLO Warehouses that it manages as required by applicable regulations. There has been limited and shifting guidance regarding the precise requirements for risk retention and the entities that may retain such interests, and therefore the regulatory environment in which any such structure intends to operate is highly uncertain. There can be no assurance that applicable governmental authorities will agree that any of the transactions, structures or arrangements entered into by ACM and its affiliates, and the manner in which they expect to hold retention interests, will satisfy the Risk Retention Rules. If such transactions, structures or arrangements are found to subject ACM and its affiliates to unacceptable regulatory risk, the ability of ACM and its affiliates to make investments in such transactions, structures or arrangements may be limited or otherwise curtailed. ACM and its affiliates could become subject to regulatory action to the extent any transactions, structures or arrangements are determined not to comply with the Risk Retention Rules, which could materially and adversely affect ACM and its affiliates. The Risk Retention Rules are subject to changes, clarifications and interpretations by governmental authorities that may have an adverse effect on AIM and its affiliates and on investors in the CLOs and the liquidity the CLO securities. The impact of the Risk Retention Rules on the CLO market is also unclear and such rules may negatively impact the value of CLOs, CLO warehouses and their underlying assets.

*AIM's compliance with FCPA may limit certain CLO investment opportunities.* AIM is committed to complying with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which it is subject. Thus, CLOs may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for CLOs to act successfully on investment opportunities and for portfolio investments to obtain or retain business. In recent years, the



U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While AIM has developed and implemented policies and procedures designed to ensure strict compliance by AIM and their personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. Any determination that AIM has violated the FCPA or other applicable anticorruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect AIM's business prospects and/or financial position, as well as a CLO's ability to achieve its investment objective and/or conduct its operations.

*Cybersecurity Risk.* As part of its business, AIM processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the AIM Funds and personally identifiable information of investors. Breach of the information systems may cause information relating to the transactions of a Fund and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

*Risks Associated with Bankruptcy Cases.* Bankruptcy cases are adversarial and may be lengthy. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of Clients. If AIM were determined to have taken over management and functional operating control of a debtor, it could lose its ranking and priority as a creditor. Reorganizations can involve substantial legal, professional and administrative costs, are subject to unpredictable and lengthy delays and, during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately.

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

On behalf of one or more Clients, AIM may elect to serve on creditors' committees, official or unofficial, equity holders' committees or other groups to ensure preservation or enhancement of such Client's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If AIM concludes that its Clients' interests differ and that AIM's participation on a committee could result in unfair treatment of its Clients, AIM may decline to participate. Similarly, if AIM elects to participate and later determines that its obligations owed to the other parties as a committee or group member conflict with its duties owed to its Clients, it may be necessary to resign from that committee or group if such conflict cannot be appropriately resolved, and Clients may not realize the benefits, if any, of participation on the committee or group. In addition and also as discussed above, if a Client is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

Prior to joining any steering committee, AIM will assess conflicts on a case by case basis, and consider the potentially differing interests of Clients invested in different parts of an issuer's capital structure. AIM may elect to not join a steering committee, despite

participation being in the interest of certain Clients, or may participate and seek to represent the interests of all Clients to the extent possible, though interests can vary.

*Participation on Creditors' Committees.* Holders of distressed investments may participate on committees formed by creditors to negotiate with the management of financially troubled companies that may or may not be in bankruptcy or seek to negotiate directly with debtors with respect to restructuring issues. In situations where a fund chooses to join creditors' committees, the fund would likely be only one of many participants, each of whom would be interested in obtaining an outcome that is in its individual best interests. There can be no assurance that participation on a creditors' committee will yield favorable results in such proceedings, and such participation may entail significant legal fees and other expenses. Participation on such committees may expose a fund to liability to other creditors.

Prior to joining any steering committee, AIM will assess conflicts on a case by case basis, and consider the potentially differing interests of Clients invested in different parts of an issuer's capital structure. AIM may elect to not join a steering committee, despite participation being in the interest of certain Clients, or may participate and seek to represent the interests of all Clients to the extent possible, though interests can vary.

Participation in restructuring activities frequently provides the participant with material nonpublic information that may restrict the participant's ability to trade in the company's securities or other debt instruments. Determination of whether information is material and nonpublic and how long knowledge of such information restricts trading is a matter of considerable uncertainty and judgment. While AIM and its affiliates each intend to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, there may be circumstances where Clients trade in a company's securities or debt instruments while engaged in restructuring activities relating to that company. Such trading creates a risk of litigation and liability that may result in significant legal fees and potential losses.

## **Item 9 - Disciplinary Information**

No Employees are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court. None of AIM nor any of the Employees has been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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

As mentioned in Item 4 above, AIM is owned by IFI, a subsidiary of Assurant. AAM is the in-house asset management division of Assurant, whose primary responsibility is to manage the assets of Assurant and the Affiliated Accounts. AAM operates as a distinct business group within Assurant. AAM and AIM both rely on the Employees to provide investment advisory services. Potential conflicts of interest exist which include, but are not limited to those discussed below. It should be noted that AIM's affiliates are investors in the AIM Funds, which can serve to align the interests of AIM and third party investors in the AIM Funds. A detailed description of potential conflicts of interest is included in the AIM Funds' governing and offering documents.

ACM has entered into a staff and services agreement with AIM and IFI to provide: (i) back and middle office assistance; (ii) legal/compliance analysis; (iii) credit analysis; (iv) management of collateral obligations in connection with CLO transactions; (v) execution and documentation; (vi) marketing; (vii) reporting; (viii) administrative services; (ix) trade execution and negotiation, (x) ancillary services; and (xi) assistance and advice relating to such other services in connection with the day-to-day business of ACM.

*Management of the AIM Funds and Affiliated Accounts.* The majority of the assets currently managed by AAM and AIM are managed by AAM for the Affiliated Accounts as discussed above. Because the Employees that manage assets for the Affiliated Accounts will also be the personnel that manage assets for the AIM Funds, a significant portion of such Employees' time and attention will be dedicated to matters associated with Affiliated Accounts and unrelated to the AIM Funds. However, the Employees staffed on AIM Fund matters dedicate as much time to the AIM Funds as they deem reasonably necessary.

*Incentive compensation differences between and across the AIM Funds and Affiliated Accounts.* In general, all Employees' incentive compensation is associated with the overall performance of Assurant, and investment results are a substantial part of Assurant's performance. Those investment results will include the investments of the Affiliated Accounts in the AIM Funds. In addition, certain Employees have a portion of their incentive compensation tied to the investment performance of specific Affiliated Accounts, and certain Employees will have a portion of their incentive compensation tied to the performance of AIM and the AIM Funds. Accordingly, Employees may have an incentive to dedicate more time and source the most profitable deals to AIM Funds and/or Affiliated Accounts that have relatively higher incentive compensation terms. However, AIM has in place policies and procedures designed to ensure allocation of investments on a fair and equitable basis over time (discussed below), which are intended to minimize this type of potential conflict of interest.

*Allocation of investments between and across the AIM Funds and the Affiliated Accounts.* AIM is committed to allocating investment opportunities among its clients in a manner that, over time, is on a fair and equitable basis, and has established policies and procedures to guide the determination of such allocations. Those policies and procedures seek to mitigate the potential that AIM will allocate investment opportunities to the AIM Funds and the Affiliated Accounts in a self-interested manner.

To the extent a potential investment transaction meets the objectives of multiple portfolios across the AIM Funds and the Affiliated Accounts, allocations will be based on observing certain investment policies and procedures, including AIM's policies and procedures on allocations of investment opportunities. It should be noted that since the Employees act in an advisory capacity for the AIM Funds as well as the Affiliated Accounts, and thus have a fiduciary duty to the AIM Funds and the Affiliated Accounts, the Employees will be responsible for allocations across both the AIM Funds and the Affiliated Accounts. As such, AIM abides by allocation procedures governing both the AIM Funds and the Affiliated Accounts (collectively, the "Allocation Procedures").

In general, the Allocation Procedures provide that equity and opportunistic real estate investments will first be evaluated for allocation to the RE Funds based on the conformity of the investment opportunity to the RE Funds' investment criteria and objectives. The evaluation may include but is not limited to: investment type, investment size, investment horizon, geography, asset class, anticipated return, investment structure, risk profile, and leverage. In cases where all or part of the investment meets the investment criteria and objectives of multiple RE Funds, allocations will be based on the same aforementioned considerations. Only in cases where all or part of the investment does not meet the investment criteria and objectives of the RE Funds, other accounts, including Affiliated Accounts, may be given the opportunity to invest, subject to the investment criteria and objectives of each account.

For syndicated bank loans, the majority of the transactions will be allocated to the CLOs, given the traditionally limited allocation to syndicated bank loans within the Affiliated Accounts. To the extent that certain syndicated bank loan transactions meet the objectives of multiple CLOs or the Affiliated Accounts, the allocation will be based on the Allocation

Procedures. In general, the Allocation Procedures dictate that the allocation of syndicated bank loan transactions be based on an alignment of the CLO or Affiliated Accounts' investment objectives and constraints with the profile of the specific transaction, which may include cash flow, anticipated return, risk profile, and loan structure.

Allocations of various investment types are reviewed on a risk-related basis as part of AIM's compliance procedures.

*AIM Affiliates Providing Property Level Insurance Coverage.* Certain AIM insurance affiliates may be selected by AREGP's joint venture partners/operating partners to provide property level insurance coverage for properties that RE Funds have indirectly invested through their investments in the underlying joint ventures. In no circumstance would AREGP participate in any such decisions.

## **Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

### ***Code of Ethics***

AIM has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Advisers Act. Rule 204A-1 requires AIM to establish, maintain and enforce a written code of ethics that:

- sets the standard of business conduct that AIM requires of the Employees;
- requires the Employees to comply with applicable federal securities laws; and
- contains provisions regulating personal securities transactions by the Employees.

AIM will provide a copy of the Code to any investor or prospective investor upon request. The

Code governs personal trading activities by the Employees and their immediate family members living in the same household. The Code requires the Employees to report all personal trades on at least a quarterly basis and provide initial and annual holdings reports to the CCO. The Employees are permitted to invest in most "reportable securities," as defined in the Code, subject to AIM's restricted securities list. In addition, any initial public offering, primary issuance, or limited offering is subject to pre-clearance by the CCO.

AIM also maintains policies and procedures around outside business activities. Specifically, the Employees must obtain written approval from the CCO before engaging in outside business activities, which include being (whether on behalf of AIM or Assurant) an officer, director, limited or general partner, member of a limited liability company, or an employee or consultant of any non-AIM and non-Assurant entity or organization.

AIM maintains policies and procedures that address and place limits on the giving and receiving of gifts and entertainment and the making of political contributions.

AIM also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. The insider trading policies apply to every Employee and extend to activities outside the scope of his or her duties at AIM. AIM forbids any Employee from engaging in any activities that would be considered insider trading.

The Employees are required to certify to their compliance with the Code annually.

To the extent that a cross transaction may be viewed as a principal transaction due to the ownership interest by AIM or its affiliates and personnel, AIM will comply with the requirements of Section 206(3) of the Advisers Act, and provide written notification to such

client\* and obtain client consent either prior to the principal transaction or prior to its settlement where required.

The Firm expects that principal cross transactions will arise primarily, but not exclusively, when an entity funded or owned by an affiliate transfers one or more CLO Warehoused assets to a newly launched CLO. Where disclosure in relation to the CLOs is required, the process involves (i) giving disclosure and obtaining consent and approval on behalf of the CLO from the Independent Review Party<sup>1</sup>; or (ii) in any other manner, which, in accordance with the advice of nationally recognized U.S. counsel experienced in such matters, is permitted pursuant to then applicable law (including, without limitation, the Advisers Act).

In connection with any loan purchase or sale that requires the consent of the CLO, if the Independent Review Party approves of the transaction, the CLO will proceed; otherwise, it will not proceed. Holders of Notes may disagree with the Independent Review Party's decision to permit, or reject, a proposed purchase or sale of a Collateral Obligation, but will not have any rights to have those views reflected in the actions of the Independent Review Party or the Issuer.

## **Item 12 - Brokerage Practices**

AIM seeks "best execution" for AIM Fund trades. Best execution generally refers to the execution of portfolio transactions in such a manner that total cost or proceeds in each transaction is the most favorable under the circumstances. The SEC defines best execution as "best qualitative execution," not merely the lowest possible execution cost.

The RE Funds expect to primarily invest in privately negotiated real estate properties. When selecting investment opportunities for RE Funds, AIM believes it satisfies its best execution responsibilities through negotiation of the terms of the investment.

With respect to the CLOs, AIM does not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of its clients, but weighs a combination of factors or criteria, including among others: price, timeliness of execution, the financial stability and reputation of a broker, the responsiveness of a broker-dealer, a broker-dealer's financial resources, counterparty credit risk, and access to liquidity for certain less liquid products.

### ***Soft Dollars***

AIM will not engage in soft dollar arrangements with respect to securities transactions for the AIM Funds.

### ***Aggregation***

In certain circumstances, a proposed investment transaction may meet the investment objectives of multiple AIM Funds and Affiliated Accounts. In such circumstances, AIM follows the Allocation Procedures described in Item 10 *Allocation of Investments between the AIM Funds and the Affiliated Accounts*.

---

<sup>1</sup> The Independent Review Party will initially be the CLO's board of directors.

\*Note: Investors are not clients pursuant to the Advisers Act.

**Item 13 - Review of Accounts***RE Funds*

The investment portfolios of the RE Funds generally consist of real estate joint ventures or real property and are long-term in nature; accordingly, AIM's review of them is not directed toward a short-term decision to dispose of investments. AIM's investment team monitors, reviews and analyzes existing investment positions on at least a quarterly basis to identify issues early on and to take action when necessary.

AIM makes available the books and records of the RE Funds as and to the extent provided in the RE Funds' governing and offering documents. Generally, AIM will provide quarterly unaudited account statements and annual audited financial statements to each RE Funds' investors. In addition, AIM will also provide narrative updates on each RE Fund's investments and operations at least quarterly.

*CLOs.*

The accounts of each CLO will be reviewed on a periodic basis by AIM, the portfolio managers and the credit research personnel to ensure conformity with investment objectives and guidelines, credit risk requirements and investment strategy. Portfolio managers will conduct portfolio credit monitoring for all client accounts. In addition, AIM will review the transactions, positions and cash balances on at least a quarterly basis.

Trustee reports will be made available to all investors on a monthly basis which will contain test results and other required data as it relates to each corresponding CLO indenture.

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

Neither AIM nor the Employees directly or indirectly compensate any person for investor referrals.

**Item 15 - Custody***RE Funds.*

For purposes of Rule 206(4)-2 under the Investment Advisers Act (the "Custody Rule"), AIM is deemed to have custody over the RE Funds' assets. In accordance with the Custody Rule, the RE Funds will be subject to annual financial statement audits conducted by an accounting firm that is subject to regular inspection by the Public Company Accounting Oversight Board. The RE Funds' financial statements will be audited in accordance with generally accepted accounting principles (GAAP) and distributed to each Investor within 120 days of the RE Funds' fiscal year end. The RE Funds have enlisted an independent public accountant to conduct the annual financial statements' audit.

*CLOs.*

AIM will not have custody of the CLOs' assets.

**Item 16 - Investment Discretion**

AIM will have full discretionary authority to determine, without obtaining specific consent, investments to be bought or sold, the amount of investments to be bought or sold, broker-dealer to be used and the commission rates to be paid. Any limitations on authority are included in the AIM Funds' respective governing and offering documents.



**Item 17 - Voting Client Securities**

The AIM Funds expect to mainly invest in real estate properties and syndicated bank loans and AIM generally does not expect to vote proxies. However, as it pertains to CLOs, AIM may be called upon to consent on loan amendments, modifications and waivers (the “matters”) that are similar to proxy votes. In making consent decisions with respect to such matters, AIM’s portfolio managers will take into consideration all applicable and available information when making a decision. When voting on the matters, AIM will vote in a manner it perceives to be the best interest of the CLOs. Generally, AIM will consent to proposed amendments that it believes are a necessary aspect of a business’s operations and/or that AIM believes will maximize the value of the investment for each CLO. AIM will maintain a record of all situations where a consent was requested and will provide a record of whether it consented or withheld consent and a copy of its voting policies to clients upon request.

Given its primary focus on credit instruments, it is rare that AIM will be eligible to participate in class action litigation.

**Item 18 - Financial Information**

AIM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the AIM Funds or investors, and AIM has not been the subject of a bankruptcy proceeding.