



## **Item 1 – Cover Page**

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**March 31, 2018**

This brochure provides information about the qualifications and business practices of Logan Circle Partners, L.P. ("Logan Circle"). If you have any questions about the contents of this brochure, please contact us at 267-330-0000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Logan Circle is registered with the SEC as an investment adviser. Registration with the SEC as an investment adviser does not imply any level of skill or training.

Additional information about Logan Circle is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 – Material Changes

Logan Circle is required to identify and discuss any material changes that are made to the brochure since the date of the last annual update of the brochure and provide clients with a summary of such changes. Logan Circle's last annual update was March 31, 2017. Accordingly, please note the following:

- On September 15, 2017, MetLife, Inc. ("MetLife") (NYSE: MET) acquired Logan Circle, from Fortress Investment Group LLC, the former parent company of Logan Circle. As a result, Logan Circle is part of MetLife Investment Management, MetLife's institutional investment management business ("MIM").
- Effective April 2, 2018 Logan Circle and its MIM affiliate, MetLife Investment Advisors, LLC have combined their investment research, trading and operations. Items 10, 11 and 12 have been updated to reflect this and provide additional disclosure regarding conflicts related to these activities.
- Certain of Logan Circle's employees are also registered with MetLife Investments Securities, LLC, a broker dealer. Item 10 has been updated to reflect this.

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## **Item 4 – Advisory Business**

Logan Circle Partners, L.P. (“Logan Circle” or the “firm”) was founded in 2007 and is a wholly-owned subsidiary of MetLife, Inc. (together with its subsidiaries, “MetLife”), a publicly traded company. Logan Circle is part of MetLife Investment Management (“MIM”), MetLife, Inc.’s institutional investment management business which has more than 900 investment professionals located around the globe.

Logan Circle offers fixed income investment management services to institutional clients, including corporate entities, pension plans, investment companies, foundations, public and government entities and high net worth individuals (collectively referenced to herein as “clients,” and each individually as a “client”). This brochure covers information on Logan Circle’s wholly owned subsidiary, Logan Circle Partners I LLC, which is covered by Logan Circle’s SEC registration as a relying adviser pursuant to applicable SEC guidance.

Logan Circle typically manages accounts on a discretionary basis in accordance with pre-determined investment strategies that can be tailored to the individual directives and guidelines of its clients. Clients can impose certain restrictions (e.g., on portfolio duration and average quality, asset types, security quality, allocation concentration, the securities of a particular issuer, the use of leverage or derivatives, etc.). Such investment restrictions are established by a mutually agreed upon written investment agreement.

### **Assets Under Management**

As of December 31, 2017, Logan Circle managed approximately \$38.45 billion in discretionary assets. Logan Circle Partners does not manage any non-discretionary assets as of the date of this filing.

## **Item 5 – Fees and Compensation**

Logan Circle is typically compensated for its advisory services based upon a percentage of assets under management and may also charge performance-based fees. Logan Circle's standard advisory fees are set forth below:

### **Bank Loan Portfolios**

0.50 % - on amounts up to \$50 million  
0.45% - on amounts from \$50 million to \$100 million  
0.40% - on amounts over \$100 million  
Minimum account size: \$25 million

### **Core Fixed Income Portfolios**

0.30% - on amounts up to \$50 million  
0.25% - on amounts from \$50 million to \$150 million  
0.20% - on amounts over \$150 million

### **Core Plus Fixed Income Portfolios**

0.35% - on amounts up to \$50 million  
0.30% - on amounts from \$50 million to \$150 million  
0.25% - on amounts over \$150 million

### **Corporate Fixed Income Portfolios**

0.35% - on amounts up to \$50 million  
0.30% - on amounts from \$50 million to \$150 million  
0.25% - on amounts over \$150 million

### **Emerging Markets Debt Portfolios**

0.50% - on amounts up to \$50 million  
0.45% - on amounts from \$50 million to \$150 million  
0.40% - on amounts over \$150 million  
Minimum account size: \$50 million

### **Global Fixed Income Portfolios**

0.40% - on amounts up to \$25 million  
0.35% - on amounts from \$25 million to \$50 million  
0.30% - on amounts over \$50 million

### **High Yield and High Yield Mid-Grade Fixed Income Portfolios**

0.50% - on amounts up to \$50 million  
0.45% - on amounts from \$50 million to \$100 million  
0.40% - on amounts over \$100 million  
Minimum account size: \$15 million



**Intermediate Fixed Income Portfolios**

0.30% - on amounts up to \$25 million  
0.25% - on amounts from \$25 million to \$100 million  
0.20% - on amounts over \$100 million

**Intermediate Corporate Fixed Income Portfolios**

0.35% - on amounts up to \$50 million  
0.30% - on amounts from \$50 million to \$150 million  
0.25% - on amounts over \$150 million

**Intermediate Government/Credit Portfolios**

0.30% - on amounts up to \$25 million  
0.25% - on amounts from \$25 million to \$100 million  
0.20% - on amounts from \$100 to \$200 million  
0.15% - on amounts over \$200 million  
Minimum account size: \$10 million

**Long Credit Portfolios**

0.30% - on amounts up to \$100 million  
0.25% - on amounts from \$100 million to \$250 million  
0.20% - on amounts over \$250 million  
Minimum account size: \$25 million

**Long Government/Credit Portfolios**

0.30% - on amounts up to \$100 million  
0.25% - on amounts from \$100 million to \$250 million  
0.20% - on amounts over \$250 million  
Minimum account size: \$25 million

**Limited Term Fixed Income Portfolios**

0.25% - on amounts up to \$25 million  
0.20% - on amounts from \$25 million to \$100 million  
0.15% - on amounts over \$100 million

**Long/Short Credit Portfolios**

1.25% - on all amounts  
Minimum account size: \$25 million

**Multi-Sector Fixed Income Portfolios**

0.40% - on amounts up to \$25 million  
0.35% - on amounts from \$25 million to \$100 million  
0.30% - on amounts over \$100 million

**Multi-Sector Opportunistic Fixed Income Portfolios**

0.50% - on amounts up to \$25 million  
0.45% - on amounts from \$25 million to \$100 million  
0.40% - on amounts over \$100 million



**North American Corporate Bond Portfolios**

0.40% - on amounts up to \$25 million  
0.35% - on amounts from \$25 million to \$100 million  
0.30% - on amounts over \$100 million

**Short-Term Actively Managed Cash Plus Portfolios**

0.15% - on amounts up to \$50 million  
0.125% - on amounts from \$50 million to \$100 million  
0.10% - on amounts over \$100 million  
Minimum account size: \$20 million

**Short-Term Actively Managed Enhanced Cash Portfolios**

0.15% - on amounts up to \$50 million  
0.125% - on amounts from \$50 million to \$100 million  
0.10% - on amounts over \$100 million  
Minimum account size: \$20 million

**Short-Term Actively Managed 1-3 Year Portfolios**

0.25% - on amounts up to \$25 million  
0.20% - on amounts from \$25 million to \$100 million  
0.15% - on amounts over \$100 million  
Minimum account size: \$20 million

**Short-Term Actively Managed 1-5 Year Portfolios**

0.25% - on amounts up to \$25 million  
0.20% - on amounts from \$25 million to \$100 million  
0.15% - on amounts over \$100 million  
Minimum account size: \$20 million

**Short-Term Actively Managed Opportunistic Portfolios**

0.30% - on amounts up to \$25 million  
0.25% - on amounts from \$25 million to \$100 million  
0.20% - on amounts over \$100 million  
Minimum account size: \$20 million

Logan Circle reserves the right to negotiate fees and minimum account sizes and fees paid vary based on the type of advice provided and other factors, such as the size of the client account (including the aggregate size of multiple accounts for the same client or related clients), the investment strategy, the relationship with the client and the required level of service. Fees may also differ based on account type. For example, fees for commingled vehicles may differ from fees for single client accounts, and fee arrangements with other investment managers or advisers under which the assets their accounts are aggregated in order to obtain a lower fee schedule. Since fees are negotiable, clients with similar investment objectives or strategies may pay different fees. Such clients will pay lower fees than some other clients as a result of this lower fee schedule.



Fees are calculated and payable quarterly. Fees will be prorated if a contract is terminated other than at quarter-end. Generally, the fee is based upon the market value of the account as of the end of each calendar quarter, although in some instances average quarterly assets are used. Logan Circle normally bills advisory fees in arrears and does not deduct fees directly from clients' assets; however, it will deduct fees if a client directs it to do so.

Logan Circle's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients will incur charges imposed by custodians, brokers and other third parties, including, but not limited to, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Logan Circle's fees, and Logan Circle does not receive any portion of commissions, fees and costs charged by such third parties. Please see Item 12 for a further discussion of the brokerage and other transaction costs that clients pay.

In addition, Logan Circle has entered into performance fee arrangements with qualified clients and such fees are subject to individualized negotiation with each such client. Logan Circle will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

For any unregistered pooled investment vehicles managed or sponsored by Logan Circle (each a "Fund"), the applicable fees and expenses are set forth in the applicable Fund's offering document, and some Funds pay Logan Circle a performance fee.





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

As described in Item 5 above, Logan Circle has entered into performance-based fee arrangements with qualified clients and may enter into such arrangements with the Logan Circle Funds. The majority of Logan Circle's clients, however, pay Logan Circle an asset based advisory fee. Managing assets for clients with different fee structures, including ones that allow for the possibility of earning higher performance-based fees for similar services provided other clients which do not have the same fee structure, can create a conflict of interest for Logan Circle, as such an arrangement creates an incentive to favor accounts for which Logan Circle has the ability to earn the higher performance-based fee.

Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In addition, performance-based fee arrangements also may create an incentive for Logan Circle to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Logan Circle has procedures designed to ensure that all clients are treated fairly and equitably, and to identify, assess and monitor such actual and potential conflicts of interest. Additional information regarding the allocation of investment opportunities and the manner in which Logan Circle manages related actual or potential conflicts of interest is set forth in Item 11 below.



## Item 7 – Types of Clients

Logan Circle provides portfolio management services primarily to institutional clients: corporate entities; pension and profit-sharing plans, including government, ERISA and Taft-Hartley plans; insurance companies; charitable institutions, foundations and endowments; investment companies including registered mutual funds and private investment funds; and public and government entities. For account size minimums, please refer to Item 5.

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

Logan Circle's methods of security analysis include fundamental, technical and cyclical analysis. Sources of information used by Logan Circle include, without limitation, internal research reports; financial newspapers and magazines; inspections of corporate activities; corporate rating services; annual reports, prospectuses, and filings with the SEC; and company press releases. Logan Circle's portfolio managers and research analysts devote the majority of their time to security analysis as described above. Logan Circle employs investment analysts who create internal proprietary credit and research reports. Logan Circle utilizes some research-oriented brokerage houses in providing industry data. Such research is supplemented by trade journals, financial newspapers, magazines, on-line services and other publicly available sources of research.

Logan Circle's fixed income investment strategies cover a wide range of asset classes and duration limits to meet the varied requirements and risk appetites of institutional investors. When providing investment advisory services to a Client, Logan Circle maintains a flexible strategy designed to conform with the client's various individual investment objectives, whether such objectives are growth, total return, current income, tax-exempt income, asset allocation, international or global, or stability of principal. Investment strategies employed include long- and short-term purchases, and may include purchasing and selling the same instrument within 30 days, short sales option writing and use of certain other derivatives. Furthermore, to the extent that any of the below strategies engage in frequent trading, such frequent trading can increase costs, including brokerage, other transaction costs and taxes, which can affect investment performance.

Each client's portfolio is managed in a manner designed to seek to achieve the client's investment objectives as agreed upon by the client and Logan Circle. In constructing the client's portfolio, the portfolio manager considers, among other factors, the security and credit quality composition of the relevant benchmark and the composition of similar portfolios in a competitive peer group. Clients may impose investment restrictions on their account as to which securities may be purchased including types of asset, security quality and allocation amounts. Such investment restrictions are established by a mutually agreed upon written investment agreement.

The current investment strategies offered by Logan Circle are as follows:

***High Yield Strategies:***

High Yield  
High Yield Mid-Grade  
Bank Loans

Logan Circle believes the high yield fixed income market regularly misprices securities that are exposed to credit risk. In striving to exploit these inefficiencies, Logan Circle focuses on proprietary, in-depth fundamental research and bottom-up portfolio construction. The strategies combine current yield with anticipated defaults and recoveries to produce returns. Logan Circle believes that extensive credit research is key to capturing return potential in the market. Logan Circle focuses on security specific risk over sector risk to build portfolios bond by bond based on intensive, company-specific fundamental research.

***Investment Grade Strategies:***

Core Fixed Income  
Core Plus Fixed Income  
Corporate Fixed Income  
Emerging Markets Debt  
Global Fixed Income  
Long Credit  
Long Government Credit  
Intermediate Fixed Income  
Intermediate Corporate Fixed Income  
Intermediate Government/Credit  
Limited Term Fixed Income  
North American Corporate Bond

Logan Circle believes that the fixed income markets are efficient with respect to interest rate risk, but that bond markets regularly misprice securities that are exposed to credit, prepayment, and liquidity risks. Logan Circle further believes that focusing on security and sector selection within a duration-neutral portfolio is the most effective strategy to exploit these inefficiencies. Logan Circle believes that proprietary, bottom-up, fundamental research coupled with nimble trading is the best technique to identify the relative value of individual securities and market sectors. Utilizing this approach, Logan Circle seeks to construct client portfolios with attractive risk/reward characteristics.

***Alternative Strategies:***

Long/Short Credit

Logan Circle manages this strategy seeking positive returns regardless of market environment through a credit based, multi-strategy best ideas approach, implemented without a benchmark orientation while seeking to minimize interest rate duration exposure. Logan Circle utilizes fundamental credit analysis, implemented with an absolute return orientation, utilizing long positions in cash bonds and short positions through credit default swaps and other derivatives to drive performance.

***Multi-Asset Class Strategy***

Multi-Sector Fixed Income  
Multi-Sector Opportunistic Fixed Income

Logan Circle manages this strategy using asset allocation of the firm's core competencies in investment grade credit, global high yield, emerging market debt and derivatives. The approach emphasizes security selection to augment the asset allocation process and utilizes qualitative and quantitative models to support asset allocation process and construct efficient portfolios.



***Short Duration Strategies:***

Cash Plus  
Enhanced Cash  
Short-Term Actively Managed Opportunistic  
Short-Term Actively Managed Program 1-3 Year  
Short-Term Actively Managed Program 1-5 Year  
Intermediate Government/Credit

Logan Circle manages these strategies with a top-down analysis of the economic landscape, concentrating on changes in growth, inflation expectations, and monetary and fiscal policies. Consistent with market themes and sector strategy, research blends fundamental and quantitative analysis of security issuers and issues to drive buy/sell decisions. In seeking to maintain safety of principal, the team utilizes in-depth credit analysis, cash flow research, bond structure, sensitivity analysis, and break-even analysis. In general, the Short Duration strategies invest in securities that have a strong risk/return profile or may provide optimal relative value potential for the portfolio. Specifically, a buy decision may include securities which Logan Circle believes are underpriced by the market. Logan Circle believes that understanding both the optionality and the capital structure priority of an issue enables us to identify an issuer's most attractive securities. Portfolios are diversified across U.S. investment grade sectors (Treasury, Agency, corporate, securitized, and money market) with opportunistic allocations to non-index sectors (examples of these would include municipal and inflation-linked). Maximum maturity (or average life) of any individual portfolio can be tailored to a client's guidelines and risk tolerances.

***Investment Risks***

We have summarized below certain important risks for clients and prospective clients to consider:

*Risk of Loss.* All investments in securities are subject to risk of loss. The value of the assets will fluctuate based upon a multitude of factors, including (i) the financial condition, results of operations and prospects of the issuers of the underlying securities acquired, (ii) governmental intervention, (iii) market conditions and (iv) local, regional, national and global economic conditions. There is no guarantee that any investment or investment strategy will be successful.

*Debt Investment Risk Generally.* Investments in debt securities are subject to all of the potential conflicts of interest and investment risks set forth above. In addition, investments in debt securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), price volatility due to interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity (illiquidity risk) and potential inability to access additional financing due, e.g., to high leverage. The price of a debt instrument generally moves inversely with interest rates, such that a rise in interest rates typically causes a fall in value, while a fall in interest rates typically causes a rise in value. Bonds generally involve less market risk than stocks; however, the risk of bonds can vary significantly depending upon factors such as the credit quality of the issuer and the maturity of the instrument. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation, resulting in losses.

*Credit Risk.* There is a risk that an issuer, an underlying borrower or counterparty will default in the payment of principal and/or interest on a security, or go bankrupt, or that the value of the securities will decline because of a market perception that the owner may not make payment on time. In addition, lack of, or inadequacy, of collateral or credit enhancements for a fixed income security may affect its credit risk. The value of an individual security will decline because of changing expectations for the individual company issuing the security. Lower credit quality may lead to greater volatility in the price of a security, which may affect the liquidity of a security. Credit risk of a security may change over time, and securities, which are rated by ratings agencies, may be subject to downgrade. However, ratings are only opinions of the agencies issuing them and are not absolute guarantees as to quality.

*Interest Rate Risk.* Interest rate changes may affect the value of a debt security directly and indirectly. For securities with floating rate coupons, changes in interest rates will directly impact the interest paid to the security holder. Changes in interest rates can also indirectly affect the value of a debt security by altering the relative value of that debt security's interest rate versus prevailing market interest rates. In general, rises in interest rates will negatively impact the value of fixed rate securities and falling interest rates will have a positive effect on value. Interest rate risk is generally higher for investments with longer maturities or durations. Inverse floaters, interest-only and principal-only securities are extremely sensitive to interest rate changes. Floating rate instruments may also react to interest rate changes in a similar manner although generally to a lesser degree depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other things. U.S. government securities also can exhibit price movements resulting from changes in interest rates.

*Call and Prepayment Risk.* The ability of issuers to prepay assets will vary. There is risk of loss if an investment was purchased at a price greater than par and is prepaid at par or at a price lower than the purchase price. The rate of prepayments, amortization, delinquencies and defaults may be influenced by various factors including:

- Changes in issuer performance and requirements for capital;
- Interest rate movements;
- Unavailability of credit or a decline in credit underwriting standards; and
- The overall economic environment.

Further, in the case of prepayment, there is reinvestment risk, because the proceeds may be invested at a lower rate than the original investment. The assets may pay floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related issuer also will increase. As prevailing interest rates increase, some issuers may not be able to make the increased interest payments on assets or refinance their balloon and bullet loans, resulting in payment defaults.

*Economic Risk.* Negative economic trends nationally, in specific geographic areas of the United States and/or outside the United States, could result in an increase in debt or loan defaults and delinquencies. Inability of issuers to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay or derail an economic recovery and cause deterioration in the performance of debt investments generally. Additionally, the following factors may disrupt financial markets and have a negative impact on the assets:

- The bankruptcy or insolvency of one or more major financial institutions that results in the disruption of payments with respect to the assets or triggers additional crises in the global credit markets and overall economy;
- Continued deterioration of the sovereign debt of certain countries, together with the risk of contagion to other, more stable, countries;
- Rating agency downgrades (or otherwise negative changes in their ratings outlook) on the sovereign long-term debt ratings of certain countries;
- Reduced liquidity in the fixed income markets as a result of proposed or implemented changes in the laws and/or regulations applicable to financial intermediaries;
- Issues affecting the economies of the United States and/or non-U.S. economies; and
- The impact of (i) military operations, (ii) the possibility or actual occurrence of terrorist attacks domestically or abroad and/or (iii) political instability in some parts of the world which could have a material adverse effect on general economic conditions, world financial markets, particular business segments, world commodity prices, consumer confidence and/or market liquidity.

*Investment Grade Debt Risk.* Investment grade debt obligations are obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than those for high yield and mezzanine debt securities. A higher credit rating is not necessarily an indication or a guarantee of actual higher credit quality.

*Mortgage- and Asset-Backed Securities Risk.* Mortgage-backed securities (residential and commercial) and asset-backed securities represent interests in “pools” of mortgages or other assets, including consumer loans or receivables held in trust. Although asset-backed and commercial mortgage-backed securities (“CMBS”) generally experience less prepayment than residential mortgage-backed securities, mortgage-backed and asset-backed securities, like traditional fixed-income securities, are subject to credit, interest rate, prepayment and extension risks. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities. Asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. These securities also are subject to the risk of default on the underlying mortgage or assets, particularly during periods of economic downturn. Certain CMBS are issued in several classes with different levels of yield and credit protection. CMBS with several classes may be in the lower classes that have greater risks than the higher classes, including greater interest rate, credit and prepayment risks.

Mortgage-backed securities may be either pass-through securities or collateralized mortgage obligations (“CMOs”). Pass-through securities represent a right to receive principal and interest payments collected on a pool of mortgages, which are passed through to security holders. CMOs are created by dividing the principal and interest payments collected on a pool of mortgages into several revenue streams (tranches) with different priority rights to portions of the underlying mortgage payments. Certain CMO tranches may represent a right to receive interest only (“IOs”), principal only (“POs”) or an amount that remains after floating-rate tranches are paid (an inverse floater). These securities are frequently referred to as “mortgage derivatives” and may be extremely sensitive to changes in interest rates. Interest rates on inverse floaters, for example, vary inversely with a short-term floating rate (which may be reset periodically). Interest rates on inverse floaters will decrease when short-term rates increase, and will increase when short-term rates decrease. These securities have the effect of providing a degree

of investment leverage. In response to changes in market interest rates or other market conditions, the value of an inverse floater may increase or decrease at a multiple of the increase or decrease in the value of the underlying securities. If CMO tranches (including CMO tranches issued by government agencies) and interest rates move in a manner not anticipated by Logan Circle, this could result in substantial investment loss. Certain mortgage-backed securities may also provide a degree of investment leverage, which could result in substantial investment loss.

The mortgage market in the United States has experienced difficulties that may adversely affect the performance and market value of certain mortgage-related investments. Delinquencies and losses on mortgage loans (including subprime and second-lien mortgage loans) generally have increased and may continue to increase, and a decline in or flattening of real-estate values (as has been experienced and may continue to be experienced in many housing markets) may exacerbate such delinquencies and losses. Also, a number of mortgage loan originators have experienced serious financial difficulties or bankruptcy. Reduced investor demand for mortgage loans and mortgage-related securities and increased investor yield requirements have caused limited liquidity in the secondary market for mortgage-related securities, which can adversely affect the market value of mortgage-related securities. It is possible that such limited liquidity in such secondary markets could continue or worsen. Asset-backed securities entail certain risks not presented by mortgage-backed securities, including the risk that in certain states it may be difficult to perfect the liens securing the collateral backing certain asset-backed securities. In addition, certain asset-backed securities are based on loans that are unsecured, which means that there is no collateral to seize if the underlying borrower defaults.

*Syndicated Debt Risk.* Syndicated debt may be subject to certain additional risks as a result of having no direct contractual relationship with the borrower of the underlying loan. In such circumstances, investors generally will be dependent on the lender to enforce its rights and obligations under the loan arrangements. Such investments will be subject to the credit risk of both the borrower and the lender, because they depend on the lender to make payments of principal and interest received on the underlying loan.

*High Yield and Distressed Securities Risk.* High Yield securities are “below investment grade” securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are higher risk investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Logan Circle will correctly evaluate the value of the assets underlying a company's loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding for an



investment, an investor may lose the entire investment, may be required to accept cash or securities with a value less than the original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated such investments may not compensate adequately for the risks assumed. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to Client of the security in respect to which such distribution was made.

*Default Risk.* A defaulted or otherwise distressed investment may become subject to workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal and a substantial change in the terms, conditions and covenants with respect to the investment. Such negotiations or restructuring may be extensive and protracted over time and may result in substantial uncertainty with respect to the ultimate recovery on such investment. The ability of investors to influence the affairs of an issuer may be substantially less than that of other creditors in the capital structure, depending on the nature of the investment (for example, the seniority of its position in the capital structure and the size of the investment relative to those of other investors).

*Insolvency and Bankruptcy Risk.* Various laws enacted for the protection of creditors may apply to investments. In a lawsuit brought by an unpaid creditor or representative of creditors of an issuer, such as a trustee in bankruptcy, a court may find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness. If, after giving effect to such indebtedness, the issuer (i) is insolvent, (ii) is engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intends to incur, or believes that it will incur, debts beyond its ability to pay such debts as they mature, such court could determine (i) to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, (ii) to subordinate such indebtedness to existing or future creditors of the issuer or (iii) to recover amounts previously paid by the issuer in satisfaction of such indebtedness. An issuer may enter bankruptcy, receivership, insolvency or similar proceedings (collectively, “bankruptcy”). Bankruptcy may result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the investment. There are a number of risks inherent in the bankruptcy process, including:

- Rulings in a bankruptcy case are the product of adversarial proceedings determined by a court with equitable powers and are beyond the control of specific creditors.
- A bankruptcy filing may adversely and permanently affect the issuer making such filing. The issuer may lose its market position, key employees, relationships with important suppliers, access to the capital markets or other sources of liquidity and otherwise become incapable of restoring itself as a viable entity. If a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the issuer may not equal the liquidation value that was believed to exist at the time of purchase of the investment.
- A creditor’s return on investment may be adversely affected by delays while a plan of reorganization is being negotiated, approved by parties in interest and confirmed by the bankruptcy court until it ultimately becomes effective. In addition, the administrative

costs of the debtor and official committees in connection with the case are frequently high and will be paid out of the debtor's estate prior to any return to general unsecured creditors. Certain claims that have priority by law (for example, claims for taxes) also may be significant.

- If Client purchases an investment for less than its par amount, recovery of the discount (the difference between the purchase price and the par amount) may be disallowed or limited in whole or in part in a bankruptcy.
- Creditors' claims against bankrupt or insolvent entities may be subject to equitable subordination or recharacterization as equity (particularly where the creditor is an insider or otherwise controls the debtor), and transfers made to creditors may be subject to avoidance and disgorgement as preferences or fraudulent conveyances.

*Foreign Securities Risk.* There is a risk that investments in securities of foreign companies or governments can be more volatile than investments in U.S. companies or governments, including:

- The value of holdings traded outside the United States (and any hedging transactions in foreign currencies) will be affected by changes in currency exchange rates.
- The costs of non-U.S. securities transactions tend to be higher than those of U.S. transactions.
- Foreign holdings may be adversely affected by foreign government action.
- International trade barriers or economic sanctions against certain non-U.S. countries may adversely affect these holdings.
- The economies of certain countries may compare unfavorably with the U.S. economy.
- Foreign securities markets may be smaller than the U.S. markets, which may make trading more difficult.
- Foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies.
- In the event of a default of any foreign debt obligations, it may be more difficult for Client to obtain or enforce a judgment against the issuers of such securities.
- Changes or modifications in existing judicial decisions or in the current positions of the IRS, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavorable treatment of certain non-U.S. securities which could adversely impact the investment.

*Emerging Markets Securities Risk.* Investments in emerging markets securities are considered speculative and subject to heightened risks in addition to the general risks of investing in foreign securities. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid and economies that are less developed. In addition, the securities markets of emerging market countries may consist of companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital.

*Sovereign Debt Risk.* Sovereign debt instruments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time to pay or for further loans, or it may ask for forgiveness of interest or principal on its existing debt. Furthermore, a governmental entity may be unwilling to renegotiate the terms of its sovereign debt. There may be no established legal process for a U.S. investor to enforce its rights against a governmental entity that does not fulfill its obligations, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

*Municipal Bond Risk.* Municipal bonds are subject to interest rate, credit and market risk. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. Lower rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds. In addition, municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and the phasing out of federal programs that provide financial support to municipalities. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers thereof. Issuers often depend on revenues from these projects to make principal and interest payments. The market prices of residual interest bonds may be highly sensitive to changes in market rates and may decrease significantly when market rates increase.

*U.S. Government Issuer Risk.* Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so. Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics.

*Restricted Securities Risk.* Restricted securities are not registered under the 1933 Act, including securities representing interests in private equity and hedge funds. Restricted securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realized from the sales, due to illiquidity, could be less than those originally paid or less than their fair market value. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held as assets are required to be registered under the securities laws of one or more jurisdictions before being resold, client may be required to bear the expenses of registration.

*Market Disruptions; Governmental Intervention Risk.* The event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted may impact the value of an investment. The risk of loss from pricing distortions is compounded by the fact that in

disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions may from time to time cause dramatic losses for the assets, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

The downturn in the credit markets and the global economic crisis in the past several years have led to extensive and unprecedented governmental intervention. These interventions typically have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. In response to the financial crises of 2008-2009, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") was enacted in July 2010. Dodd-Frank established a comprehensive framework for the regulation of markets, market participants and financial instruments that were previously unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. It is difficult to predict the ultimate impact of Dodd-Frank on the assets, including whether Dodd-Frank will impact market liquidity in a manner adverse to investments. Further additional legislative or regulatory action could be taken, and the effect of such actions could have a negative impact on the assets.

*Lender Liability Risk.* U.S. courts have upheld the right of borrowers to sue lenders or bondholders based on a variety of evolving legal theories (sometimes referred to as "lender liability"). Generally, lender liability is founded on the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or stockholders. The assets also may be subject to claims from creditors of an obligor that debt obligations issued by such obligor should be equitably subordinated.

*Spread Widening Risk.* For various reasons, the prices of the assets may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying the debt instruments.

*Portfolio Concentration Risk.* There may be limited diversification or concentration constraints with respect to the some strategies. If investments become relatively concentrated in any one issuer, industry, region, country or type of investment, the value of the assets may be subject to greater volatility and may be more susceptible to any single economic, political, or regulatory occurrence or the fortunes of a single company or industry than would be the case if the investments were more diversified.

*Reinvestment Risk.* There is a risk that when debt securities are sold, prepaid or called, the proceeds may have to be reinvested in securities with a lower rate of return and/or future proceeds from investments may fail to recover additional amounts paid for securities with higher interest rates.

***Illiquidity Risk.*** Certain investments require a long-term commitment, with no certainty of return. There may be little or no near-term cash flow available. Consequently, sales of such investments may require a lengthy time period, so there can be no assurance the value of such investments will be realized in a timely manner. The high yield secondary market is particularly susceptible to liquidity problems when institutional investors temporarily stop buying bonds for regulatory, financial, or other reasons.

***Cash Holdings Risk.*** Client may invest significant amounts in cash and cash equivalents for indefinite periods of time when Logan Circle determines that the prevailing market environment warrants doing so. This may result in lost opportunities to participate in market appreciation, which may result in lower returns than if fully invested in the market. Furthermore, cash and cash equivalents may generate minimal or no income and could negatively impact return on the assets.

***Over-the-Counter/Interdealer Markets and Counterparty Risk.*** Debt securities transactions are generally conducted in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of “exchange-based” markets. There is risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the assets to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement. The inability to make complete and “foolproof” evaluations of the financial capabilities of counterparties and the absence of a regulated market to facilitate settlement increases the risk to assets.

***Derivatives Risk.*** There is a risk that derivative instruments such as convertible securities, options, futures, caps and floors, forward contracts and interest rate, credit default interest rate, credit default, total return and equity swaps and options on such swaps and total return swaps and options on such swaps may result in a poorer overall performance for an account than if it had not engaged in any such transaction. Losses on investments in certain types of derivatives may exceed the initial investment because the use of derivatives may exaggerate the effect of any increase or decrease in the value an account’s securities. There is the potential inability to terminate or sell a position, the lack of a liquid secondary market and the risk that the counterparty to the transaction will not meet its obligations. The derivatives markets for certain derivatives instruments may have limited liquidity, which can make it difficult as well as costly to terminate, unwind or close out open positions in order to either realize gains or limit losses. In addition, the value of a transaction will be adversely affected by such factors as:

- fluctuations in the level of one or more market prices, rates or indexes,
- changes in volatility levels of market prices, rates or indexes,
- variances in the correlations or other relationships between various market factors, and
- the level of liquidity, or illiquidity, in the market for the relevant transaction or related markets.

Although Logan Circle transacts derivatives on a collateralized basis with counterparties that it believes to be creditworthy, there is no guarantee that such counterparties will be able to perform their economic obligations under the derivatives transactions. In addition, centralized clearing of certain over-the-counter (“OTC”) derivatives has the risk of a default by a clearing member or clearinghouse with respect to its cleared derivative transactions. There is the risk that the investor or the do not have

adequate cash available to fund current obligations, which might occur because of mismatches in cash flows due from or to a client's custodian and the counterparties in OTC derivatives transactions or related hedging, trading, collateral, or other transactions, or delays in payment. There is operational risk of loss due to inadequacies in such parties internal systems or controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivatives and related transactions, for recording and valuing the transactions or for detecting human error, or from systems failure or management failure. The amount of collateral a client may be required to pledge and maintain under derivatives transactions may increase under certain circumstances will increase as a result of the requirements to pledge initial margin for certain derivative transactions. There is a risk, the prudential regulators, Commodity Futures Trading Commission, FINRA, central clearinghouses and counterparties may restrict or eliminate certain types of previously eligible collateral or charge extra to pledge such non-cash collateral, which would increase transactions costs and could adversely affect the liquidity of investments and the composition of a portfolio. Further, because the price and other terms of a derivatives transaction are individually negotiated, these may not represent the best price or terms available from other sources.

*Investment Due Diligence and Investment Research Risk.* When conducting due diligence and investment research, Logan Circle may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues, often on an expedited basis, to take advantage of an investment opportunity. Detailed information necessary for a full evaluation may not be available, and the financial information used may not be accurate or provided based upon accepted accounting methods. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence and investment research process in varying degrees depending on the type of investment. There can be no assurance that these consultants will evaluate such investments accurately.

*Reliance on Corporate Management and Financial Reporting Risk.* Logan Circle may select investments in part on the basis of information and data filed by issuers of securities with various government regulators or made directly available by the issuers of securities or through sources other than the issuers such as collateral pool servicers. Although Logan Circle will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, Logan Circle will not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available. Logan Circle is dependent upon the integrity of the management of these issuers and of such servicers and the financial and collateral performance reporting processes in general. Recent events have demonstrated the material losses as a result of corporate mismanagement, fraud and accounting irregularities.

*Operational and Information Security Risk from Cyberattacks.* The firm and other service providers may be subject to operational and information security risks resulting from cyberattacks. For instance, cyberattacks may (i) cause the release of information related to clients or the assets or other confidential information, (ii) subject the assets and their service providers to regulatory fines or financial losses and (iii) cause reputational damage. Cyberattacks are viewed as an emerging risk, and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing changes.



## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Logan Circle or the integrity of Logan Circle's management. Logan Circle does not believe that there are any legal or disciplinary events that are required to be disclosed.





## Item 10 – Other Financial Industry Activities and Affiliations

As disclosed in response to Item 4, Logan Circle is a wholly owned subsidiary of MetLife, Inc. and is under common control with other registered investment advisers, broker dealers and insurance companies.

### Relationship with MetLife Investment Management (“MIM”) Affiliates<sup>1</sup>

Logan Circle is part of MIM, MetLife’s institutional investment management business. MIM has more than 900 investment professionals located around the globe and is affiliated with many types of U.S. and non-U.S. financial service providers, including other investment advisers, broker-dealers and insurance companies. Some Logan Circle employees also are officers and employees of some of these affiliates.

Effective April 2, 2018, Logan Circle and its affiliate, MetLife Investment Advisors, LLC (“MLIA”), an SEC registered investment adviser with headquarters in Whippany, New Jersey have combined their investment research, trading and operations. As part of this organizational change, the MIM Public Fixed Income business unit, headed by Logan Circle CEO Jude Driscoll, has been established. MIM Public Fixed Income primarily manages portfolios investing in US and non-US investment grade debt, high yield debt, emerging market debt, municipal bonds and structured finance investments. MIM Public Fixed Income is comprised of total return portfolio asset management, insurance asset management, credit trading and credit research, and manages client portfolios for both Logan Circle and MLIA.

MLIA’s investment management services also include real estate equity investments, real estate debt investments, private fixed income obligations, index strategies, capital markets insurance backed products, derivatives and alternative investments. MLIA manages a variety of strategies and products through joint ventures, separately managed accounts and pooled investment vehicles. MLIA also manages internal fund of funds vehicles for MetLife affiliates that invest in private equity funds and hedge funds and one collateral debt obligation, which is currently in run-down mode.

Logan Circle and MLIA share investment and other personnel, including trading and research personnel. As a result, Logan Circle and MLIA may recommend the same security to clients of both Logan Circle and MLIA. Logan Circle and MLIA have implemented policies and procedures to address the conflicts that arise in situations relating to management for Logan Circle and MLIA clients, including trading desk policies and allocation policies. A copy of these policies is available to current or prospective clients upon request.

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<sup>1</sup> Subsidiaries of MetLife, Inc. that provide investment management services include Metropolitan Life Insurance Company, MetLife Investment Advisors, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), Logan Circle Partners, L.P. and Logan Circle Partners, I LLC.





### **Relationships with Other Affiliated Investment Advisers**

MetLife Asset Management Corp. (Japan) (“MAM”), located in Japan, is registered with the FSA as a discretionary investment manager. MAM provides certain sales and marketing support to MIM Public Fixed Income for institutional investors located in Japan.

MetLife Investment Management Limited (“MIML”), located in London, England, is registered with the FCA as an investments adviser and investments manager. MIML provides investment management services to institutional investors located in the UK and the wider European Economic Area. MIM Public Fixed Income has services agreements under which MIM Public Fixed Income provides sub-advisory investment management services to MIML and MIML provides certain sales and marketing support to MIM Public Fixed Income for institutional investors located in the UK and EU.

MetLife Investments Asia Limited (“MIAL”), located in Hong Kong, is licensed by the Securities and Futures Commission of Hong Kong (“SFC”) to provide investment management services to institutional investors located in Hong Kong. MIM Public Fixed Income provides sub-advisory services to MIAL and originates US Dollar investments for MIAL’s clients at MIAL’s direction.

### **Relationship with Affiliated Broker-Dealer**

MetLife Investments Securities, LLC (“MISL”), is a FINRA registered broker-dealer. MISL provides marketing and distribution support related to the offering and selling of the Logan Circle Funds and other funds sponsored by MetLife affiliates. Certain of Logan Circle’s personnel are registered representatives of MISL.

### **Relationship with Affiliated Insurance Companies**

Logan Circle and MLIA share investment and other personnel to comprise MIM Public Fixed Income. MLIA provides investment management services to affiliates, including to MetLife’s U.S. insurance and operating companies (“MetLife Accounts”). Assets of the MetLife Accounts constitute a material portion of MLIA’s asset under management. Because of the substantial size of the MetLife Accounts, trading by MIM Public Fixed Income of the MetLife Accounts may affect market prices. Although MIM Public Fixed Income does not expect that the MetLife Accounts’ transactions will move a market frequently, and generally only in response to unusual market or issuer events, the execution of these transactions could have an adverse effect on transactions for or positions held by other clients.

### **Relationship with Affiliated or Sponsored Investment Vehicles**

*Private Funds.* Logan Circle serves as the investment adviser to a U.S. private fund. A subsidiary of Logan Circle serves as the general partner.

*Mutual Funds.* Logan Circle serves as investment adviser to mutual funds which Logan Circle sponsors.

*Collective Investment Trust Funds.* Logan Circle serves as investment adviser to certain trust companies organized under the Pennsylvania Banking Code that are sponsored by Logan Circle.



*Other Foreign Funds.* Logan Circle serves as investment adviser to an Irish domiciled open-ended umbrella investment company with variable capital and segregated liability between sub-funds. All but two of the directors are employees of Logan Circle.

Logan Circle's and its affiliates employees may have an ownership interest in these affiliated or sponsored investment vehicles.

#### **Additional Conflicts Related to Affiliations**

*Conflicts Arising Out of Legal Restrictions.* Logan Circle may be restricted by law, regulation, contract or other constraints as to how much, if any, of a particular security purchased or sold on behalf of a client, and as to the timing of such purchase or sale. Sometimes these restrictions apply as a result of Logan Circle's affiliation with MetLife. For example, Logan Circle does not purchase securities issued by MetLife for client accounts. In addition, Logan Circle or its affiliates could receive material, non-public information with respect to a particular issuer and, as a result, be unable to execute transactions in securities of that issuer for clients.

*Conflicts Related to Co-investment by Affiliates.* Affiliates of Logan Circle may provide initial funding or otherwise invest in vehicles managed by Logan Circle. When an affiliate provides "seed capital" or other capital for a fund, it may do so with the intention of redeeming all or part of its interest at a future point in time or when it deems that sufficient additional capital has been invested in that fund.

*Conflicts Related to the Financial Interests of Affiliates.* Affiliates of Logan Circle, including the MetLife general account, may have financial interests in, or relationships with, companies whose securities Logan Circle purchases or sells in client accounts. At any time, these affiliate's interests and relationships could be inconsistent or in potential or actual conflict with positions held or actions taken by Logan Circle on behalf of its client accounts. For example:

- Affiliates, including the MetLife Accounts, hold public and private debt and equity securities of a large number of issuers. Logan Circle may invest in some of the same issuers for client accounts, but at different levels in the capital structure.
- Affiliates, including the MetLife Accounts, can hold the senior debt of an issuer whose subordinated debt is held by Logan Circle's clients or hold secured debt of an issuer whose public unsecured debt is held in client accounts. In the event of restructuring or insolvency, the affiliated accounts as holders of senior debt may exercise remedies and take other actions that are not in the interest of, or are adverse to, other clients that are the holders of junior debt.

In order to address the conflicts related to the affiliations described above MIM Public Fixed Income has implemented compliance policies and procedures, including allocation policies. These allocation policies are designed to ensure that investment opportunities are allocated in a fair and equitable manner over time to clients of MIM Public Fixed Income, including clients of Logan Circle and the MetLife Accounts. For certain asset classes, when a single investment opportunity cannot readily be shared on a pro rata basis between clients of MIM Public Fixed Income, the allocation policies generally provide for allocation of the investment opportunity on a rotational basis. For other asset classes, where two or more clients of MIM Public Fixed Income and the MetLife Accounts are part of the same trade/transaction, when



feasible, the desired target participation amounts for each transaction are aggregated and placed as a single bid/order. In transactions involving the MetLife Accounts, the MetLife Accounts may seek a larger position than other clients participating in these transactions due to the size of the MetLife Accounts as compared to other client account sizes. If the entire bid/order can be filled, each client (and the MetLife Accounts) will receive their full target participation amount; otherwise, each participating account's allocation is adjusted based on the allocation policy for that asset class, which as a general matter provide for pro rata reductions in the amount allocated. If a pro rata reduction would reduce a client's allocation below the client's stated minimum, or result in a de minimis allocation, the policies generally provide that the client would not be allocated any of the acquired investment and its share would be reallocated among the other participating accounts (including the MetLife Accounts). As a result, if the MetLife Accounts are participating in that transaction, they may receive an increased allocation whereas the affected client would not receive any allocation. Copies of these allocation policies are available upon request.



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

Logan Circle and persons associated with Logan Circle are permitted to buy or sell securities that it also recommends to clients consistent with MetLife's policies and procedures. Logan Circle is under the MIM Code of Ethics, which complies with Rule 204A-1 under the Advisers Act. For certain Access Persons (as defined in the Advisers Act and other applicable rules), the Code imposes restrictions on the purchase and sale of securities for their own accounts and accounts in which the Access Person has a beneficial interest. The Code also includes a pre-clearance requirement for all Access Persons, restrictions on participation in initial public offerings, blackout period restrictions, minimum holding period requirements, quarterly and annual reporting requirements and an annual certification. A copy of MIM's Code of Ethics is available to any client or prospective client upon request.

Logan Circle also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Logan Circle or any of its employees.

### ***Allocating Investment Opportunities and Related Conflicts of Interest***

Logan Circle and its affiliates engage in investment advisory activities that may from time to time conflict with, overlap with or compete with, the investment activities of clients. In addition, affiliates of Logan Circle, including the MetLife Accounts, may have financial interests in, or relationships with, companies whose securities Logan Circle purchases or sells in client accounts. As a result, Logan Circle is subject to various potential and actual conflicts of interest as described below.

The investment strategy of a MIM Public Fixed Income client may be similar to, or overlap with, the investment strategy of other MIM Public Fixed Income clients, and, therefore, clients with overlapping or similar strategies, may compete for investment opportunities. Further, information relating to investment opportunities may be shared across MIM Public Fixed Income investment teams. In addition, MIM Public Fixed Income investment teams, from time to time, seek to purchase securities in initial or secondary public offerings on behalf of clients. In certain cases, such initial or secondary public offerings may be limited in nature. As a result, the allocation of investment opportunities gives rise to potential and actual conflicts of interest.

In making allocation decisions with respect to limited investment opportunities that could reasonably be expected to fit the investment objectives of multiple clients, MIM Public Fixed Income anticipates that it may consider one or more of the following factors, as applicable, that it deems relevant: the investment objectives of clients, the source of the investment opportunity, the expected duration of the investment in light of clients' investment objectives and policies (including diversification policies), the amount of available capital, the size of the investment opportunity, regulatory and tax considerations, the degree of risk arising from an investment, the expected investment return, relative liquidity, likelihood of current income or such other factors as MIM Public Fixed Income deems to be appropriate. These factors provide substantial discretion to MIM Public Fixed Income in allocating investment opportunities.



In addition, MIM Public Fixed Income has implemented policies and procedures that prohibit favoring any proprietary or related person account (whether managed by Logan Circle or an affiliated entity) over an advisory client's account. Please see response to Item 10 for information about how investment opportunities are allocated.

### ***Potential Conflicts Due to Overlapping Client Investments***

Where clients hold the same investment, the differing investment objectives of such clients, as well as other factors applicable to the specific situation, may result in a determination to dispose of, or retain, all or a portion of an investment on behalf of a client at different times as such investment or portion thereof is being disposed of, or retained, by other clients. In addition, particularly with respect to illiquid or private investments, conflicts of interest can arise when disposing of a particular investment would be beneficial for one client while retaining such investment would be beneficial for another client. MIM Public Fixed Income may also recommend investments to or purchase securities for the account of one client (or supervised persons may purchase such securities) that may differ from investments recommended or purchased for other clients, even though the investment objectives of other clients may be similar. Moreover, MIM Public Fixed Income and its affiliates may make investments or engage in other activities that express inconsistent views with respect to an entity in which Logan Circle has invested client assets, a particular security or relevant market conditions. For example, if Logan Circle or its affiliate makes an investment on behalf of one client that expresses a negative outlook on a particular investment in which other clients are invested, this may reduce the value of other clients' investments.

In addition, MIM Public Fixed Income's portfolio managers generally make investment decisions for the respective clients that they manage independently of the manner in which it approaches a similar or even the same investment made by other MIM Public Fixed Income portfolio managers. In addition, MIM Public Fixed Income may choose not to hedge certain risks for clients that other MIM Public Fixed Income investment teams hedge for other clients (or vice versa).

MIM Public Fixed Income may invest in the same issuers for client accounts, but at different levels in the capital structure. For example, one client may hold securities in an entity that are senior or junior to the debt securities held by another client, and in the event of restructuring or insolvency clients will be entitled to different payment or other rights, or that in a workout or other distressed scenario the interests of one client might be adverse to those of other clients so that some clients might recover all or part of its investment while the other clients might not.

### ***Cross Transactions***

From time to time, MIM Public Fixed Income may sell a security from a client account and purchase the same security in another client account through a so called "cross transaction" if the transaction is deemed to be in the best interest of each participating client and is permitted by applicable client and regulatory requirements. In general, MIM Public Fixed Income seeks to conduct cross transactions in accordance with the pricing requirements of Rule 17a-7 under the Investment Company Act of 1940, in which transactions are effected at current market price using the average of the highest current independent bid and lowest current independent offer determined on the basis of a reasonable inquiry.



In certain instances where participating clients use different custodians, MIM Public Fixed Income may utilize the assistance of a broker-dealer to execute a cross transaction between such clients, to the extent permitted by applicable client and regulatory requirements and where deemed necessary or appropriate. In such dealer-assisted cross transactions, the Rule 17a-7 pricing methodology may be utilized. However, in instances of dealer-assisted cross transactions where there are limited dealers willing to effect the trade, or there is limited inventory in the security to be traded, the Rule 17a-7 pricing method may not be available, and as such, an alternative pricing method may be used. This alternative pricing method requires MIM Public Fixed Income to contact at least three dealers and first request a bid on the security from each dealer on behalf of client A; and then upon receipt of the bid information from each dealer, immediately request the same dealer to provide an offer to sell the same security (i.e., a reoffer) to client B. The trade will be executed with the dealer bid that is nearest to the average bid and at spread that is equal to the lower of (i) the dealer's proposed spread, or (ii) the average spread. The Chief Compliance Officer must approve a cross transaction prior to execution.

## Item 12 – Brokerage Practices

### ***Brokerage Selection and Best Execution***

Logan Circle and MLIA share investment and other personnel to comprise MIM Public Fixed Income, including trading and credit research personnel.

In selecting broker-dealers to execute transactions for clients' accounts, MIM Public Fixed Income considers a variety of factors including, but not limited to: its financial strength, reputation, execution, pricing, research and service. MIM Public Fixed Income seeks to obtain "best execution" consistent with its duties as an investment adviser. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. MIM Public Fixed Income will seek competitive rates but may not necessarily obtain the lowest possible commission rates for transactions. However, in some instances, there may only be one broker-dealer active in a particular security at a given time which may limit the ability to obtain best execution.

### **Soft Dollars and Research Services**

Currently, MIM Public Fixed Income does not enter into any third party or proprietary soft dollar arrangements where a broker-dealer provides research services in exchange for an expectation of receiving a certain dollar amount of commissions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for unsolicited proprietary research (research created or developed by the broker-dealer) which assist MIM Public Fixed Income in its investment decision-making process. Such research generally will be used to service all of MIM Public Fixed Income's clients, but all research will not be applicable to each client. In addition to unsolicited research, certain broker-dealers may provide invitations to attend conferences and meetings with management representatives of issuers or with other analysts and specialists.

The amount of research and other benefits described above may depend on the amount of brokerage transactions effected with the brokers. A conflict of interest may exist because there is an incentive to cause clients to pay a higher commission than MIM Public Fixed Income might otherwise be able to negotiate, and to recommend brokers that provide research and other benefits. Accordingly, there is an inherent conflict of interest that exists because MIM Public Fixed Income does not have to produce or pay for such research or other benefits and it could appear to select brokers based on its interest in receiving research and other benefits, rather than in its clients' best interest in receiving most favorable execution. MIM Public Fixed Income has policies and procedures to address conflicts of interest associated with its brokerage practices, and periodically reviews its policies and procedures regarding its selection of financial institutions to execute transactions in light of its duty to obtain best execution.



## **Brokerage for Client Referrals**

Logan Circle does not direct brokerage for client referrals.

## **Directed Brokerage**

Although MIM Public Fixed Income generally discourages clients from directing trades to a particular broker-dealer, it may at times accept direction from clients regarding brokers to be used for their account. Clients may have existing arrangements permitting them to offset certain administration, accounting, custody, consultant or other fees in relation to the amount of brokerage transactions handled by a specific broker. If a client directs Logan Circle to use specific broker-dealers for its account, execution quality may suffer. In addition, directing trades to a particular broker-dealer may cost clients more money; for example, where it would otherwise have the opportunity to do so, Logan Circle may not be able to aggregate orders to reduce transaction costs and such clients could receive less favorable net prices on transactions.

## **Trade Aggregation and Allocation**

MIM Public Fixed Income manages separate accounts with similar investment styles and strategies. As a result, if an investment transaction is appropriate for more than one client, Logan Circle and MLIA may attempt to aggregate trades for the accounts and perform one trade or a block trade and allocate pro-rata. If aggregated on the same business day, trades will be allocated on a pro-rata basis to all appropriate clients, subject to certain exceptions such as de minimis orders. However, pro-rata allocations may not always be feasible or in the best interest of clients and such investment opportunities, either in part or in whole, may be allocated using another methodology, such as random selection or rotation. In addition, certain client accounts may be excluded from an allocation if the size of the allocation, if made on a pro-rata basis, would not satisfy certain minimum size thresholds established by a client.

MIM Public Fixed Income performs investment advisory services for various clients and on the same business day may give advice, and take action, with respect to any of those clients which may differ from the advice given, or the timing and nature of action taken, with respect to any other client. MIM Public Fixed Income's portfolio managers are responsible for investing assets of more than one client. The securities purchased and sold by portfolio managers will generally be allocated to their specific clients on a trade by trade basis and may not be aggregated with trades by other portfolio managers with similar strategies but different clients as each portfolio manager will invest assets according to their applicable strategy and clients guidelines (subject to such exceptions as may be determined to be appropriate under the circumstances of a particular trade or client restrictions). In these circumstances, MIM Public Fixed Income will attempt to allocate investment opportunities to each client on a fair and equitable basis relative to other similarly situated clients.

If MIM Public Fixed Income determines that the purchase or sale of the same security or instrument is in the best interest of more than one client, MIM Public Fixed Income may, but may in its sole discretion choose not to, combine or aggregate orders to the extent permitted by applicable law.





### **Trade Error Policy**

MIM Public Fixed Income maintains a trade error policy. "Trade Errors" include, but are not limited to: (i) purchasing or selling the wrong security or quantity; (ii) purchasing a security when a sale was intended or selling a security when a purchase was intended; (iii) purchasing or selling a security in violation of regulatory or contractual obligations; and (iv) purchasing or selling a security for an unintended account. Trade Errors do not include situations that do not result in a trade settling. To the extent a Trade Error is caused by a third party, such as a broker or agent, MIM Public Fixed Income will seek to recover any losses associated with the Trade Error from such third party, but may choose not to do so in its discretion and MIM Public Fixed Income will not be liable for such losses, provided that such third party was selected, engaged or retained in good faith. Clients will not be notified if an error in their account is avoided through cancellation, modification or reallocation.



### **Item 13 – Review of Accounts**

Logan Circle reviews client accounts on a periodic basis and in many cases as frequently as daily. Portfolio managers and traders regularly monitor each account's portfolio holdings and transactions for adherence with investment objectives and client specific guidelines and performance. The compliance department also performs account reviews as part of its monitoring function on a variety of topics.

Formal annual reviews are conducted for clients upon request. At these meetings, economic outlook is generally reviewed along with investment strategy for the upcoming period, past investment tactics, past performance record and future expectations.

All clients receive written monthly account statements detailing investment performance, securities holdings and transactions.



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

Logan Circle may pay unaffiliated solicitors a referral fee for client introductions in accordance with the requirements of Rule 206(4)-3 of the Advisers Act. Any referral fee is paid by Logan Circle and does not result in any additional charge to the client. Unaffiliated solicitors will provide clients with a copy of Logan Circle's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement (including compensation).



## Item 15 – Custody

It is the policy of Logan Circle not to accept custody of clients' securities. Logan Circle is deemed to have custody over client assets where it is authorized to withdraw funds and securities from the client's account. With respect to the Logan Circle Private Funds, Logan Circle complies with the custody requirements applicable to U.S. SEC registered investment advisers by delivering audited financial statements to the investors within the applicable required time frame.

As a courtesy for clients, Logan Circle provides account statements on a monthly basis. We urge clients receiving statements from their qualified custodian to carefully compare these account statements with those provided by Logan Circle.



## **Item 16 – Investment Discretion**

Logan Circle has full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines. Each client's grant of discretion is evidenced in a written investment management agreement, which typically appoints Logan Circle as the clients' agent and attorney-in-fact with full discretionary authority to buy, sell or otherwise effect investment transactions involving the assets of the account in a manner consistent with the written investment objectives and guidelines for the particular client account. Specific investment limitations of Logan Circle's investment discretion are normally set forth in such investment guidelines.

Certain regulated clients, such as U.S. mutual funds and ERISA accounts, are subject to additional investment, diversification and other limitations imposed by applicable law. Any of the above investment guidelines or regulatory limitations can impact the potential returns of client accounts.



## Item 17 – Voting Client Securities

Logan Circle has adopted policies and procedures related to voting proxies on behalf of Clients. The general policy of Logan Circle is to vote proxy proposals in a manner that serves the best interests of clients. It should be noted that, with respect to Logan Circle's fixed income investment strategies, securities in client accounts typically do not have proxies to vote. With respect to certain client accounts and securities, Logan Circle utilizes the services of a third-party proxy voting service, Institutional Shareholder Services, Inc. ("ISS"). In determining how to vote such proxies, Logan Circle may take into account factors such as: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; (iv) industry and business practices; and (v) the degree to which client interests are aligned with those of an issuer's management. In some circumstances, Logan Circle will refrain from voting proxies where Logan Circle believes, among other reasons, that voting would be inappropriate taking into consideration the cost of voting the proxy, the anticipated benefit to clients, whether Logan Circle's clients continue to hold the securities on the voting date, or where the portfolio manager believes that resolution of the proxy is not relevant to the value of the investment.

Logan Circle is responsible for identifying potential conflicts of interest in regard to the proxy voting process. Examples of potential conflicts of interest include, but are not limited to, Logan Circle, its supervised persons and management persons: (1) managing a pension plan for a company whose management is soliciting proxies; (2) significant business relationships (e.g. having a material business relationship with a proponent of a proxy proposal in which this business relationship may influence how the proxy vote is cast); and (3) having a business or personal relationship with participants in a proxy contest, corporate directors or candidates for directorships. In instances where Logan Circle believes that such a conflict of interest is material, it will manage and mitigate any such conflict of interest, which may include disclosing the conflict to the client or refraining from voting the proxy.

In those instances where the client has reserved to itself the right to vote proxies, Logan Circle will not participate in the voting of proxies for that client. In addition, such clients retain the responsibility for receiving proxies from their custodian for any and all securities maintained in the client's account.

Clients may obtain a copy of Logan Circle's proxy voting policies and procedures or information regarding how Logan Circle voted any proxies on behalf of their account(s) by contacting the firm's Compliance Department at [LCP-Compliance@lcpim.com](mailto:LCP-Compliance@lcpim.com) or calling 267-330-0000.



## Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about Logan Circle's financial condition. Logan Circle is not aware of any financial condition that impairs its ability to meet its commitments to clients, and has not been the subject of any bankruptcy proceeding.

MetLife, Inc.'s required Exchange Act filings, including its latest Form 10-Q and Form 10-K, are publicly available for review on the SEC's website at [www.sec.gov](http://www.sec.gov).



## **Item 19 – Requirements for State-Registered Advisers**

Not applicable.



## Privacy Notice

### WHAT DOES LOGAN CIRCLE DO WITH YOUR PERSONAL INFORMATION?

	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number</li> <li>• Financial information</li> <li>• Credit history</li> </ul>
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	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Logan Circle chooses to share; and whether you can limit this sharing.
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	Yes	No
<b>For our everyday business purposes</b> – Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		
<b>For our marketing purposes</b> –To offer our products and services to you	No	Not applicable
<b>For joint marketing with other financial companies</b>	No	Not applicable
<b>For our affiliates' everyday business purposes</b> – Information about your transactions and experiences	No	Not applicable
<b>For our affiliates' everyday business purposes</b> – Information about your creditworthiness	No	Not applicable
<b>For nonaffiliates to market to you</b>	No	Not applicable

	<p><b><i>While applicable law allows you to limit sharing under certain circumstances, Logan Circle does not share information in such ways.</i></b></p> <p>Call (877) 638-7684 or go <a href="mailto:to_investmentscompliance@metlife.com">to investmentscompliance@metlife.com</a></p>
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