

# Form ADV, Part 2A (Firm “*Brochure*”) Trimaran Advisors, L.L.C.

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This Brochure provides information about the qualifications and business practices of Trimaran Advisors, L.L.C. (“*Trimaran Advisors*” or the “*Firm*”). If you have any questions about the contents of the Brochure, please contact us at (212) 616-3750 or [alberto.robaina@trimarancapital.com](mailto:alberto.robaina@trimarancapital.com). The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Trimaran Advisors is available on the SEC’s website at <http://www.adviserinfo.sec.gov>.

From time to time, Trimaran Advisors may refer to itself as a “registered investment adviser.” This statement does not imply a certain level of skill or training.

**February 14, 2012**

## **Item 2. Material Changes**

This Brochure, dated February 14, 2012, is a new document prepared by Trimaran Advisors in accordance with the SEC's new requirements and rules pertaining to Form ADV as established on July 28, 2010.

In the future, this section will discuss only specific material changes that are made to the Brochure and provide investors with a summary of such changes. It will also reference the date of the last annual update of the Brochure.

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## Item 4. Advisory Business

The Firm is a Delaware Limited Liability Company that was founded in on June 29, 1998, initially as Caravelle Advisors, LLC. The Firm's principal owners are Jay Bloom and Dean Kehler.

The Firm provides investment advisory services only to private pooled investment vehicles (each a "*Fund*") that are only offered to Qualified Clients (as defined as defined in Rule 205-3(d)(1) under the Investment Advisers Act of 1940, as amended (the "*Advisers Act*"). The Funds rely on an exemption from registration as investment companies (provided under Section 3(c)7 of the Investment Company Act of 1940) due to the fact that each beneficial owner of a Fund's securities has met certain criteria of net worth or knowledge about the Firm's business.

The Funds are structured as four Collateralized Loan Obligations ("*CLOs*") and a Collateralized Debt Obligation ("*CDO*"). The Firm will generally provide investment advice regarding corporate debt instruments and other similar investments that are suitable for the Funds, as described more fully under "Methods of Analysis, Investment Strategies and Risks of Loss."

The Firm's only clients are the Funds. The Funds' investors participate in the Firm's investment program through their purchase of various series of notes (the "*Notes*") sold by each of the Funds. Generally speaking, the Firm will recommend investments in interest-bearing corporate debt instruments and other income-producing financial instruments (the "*Portfolio Collateral*"). The Portfolio Collateral may include limited amounts of investments in other asset classes.

The Notes are asset-backed securities secured by the Portfolio Collateral. The holders of most series of the Notes are generally entitled to interest payments at a pre-defined percentage (the "*Senior Notes*"). The rate that these notes bear is typically defined as a set percentage above the London Interbank Offered Rate ("*LIBOR*"). If the Firm's investment program is successful, these payments will be made regularly for the life of the Notes (as described more fully in each Fund's offering circular). The holders of these Notes are not entitled to a share of capital appreciation of the Portfolio Collateral above the predetermined interest rate of their respective Notes. The Firm typically understands the holders of the Senior Notes to be "creditors," rather than investors. References to "creditors" throughout this Brochure will refer to holders of the Senior Notes.

Investors in each Fund also include the holders of series of Notes for which the returns depend on the pass through of excess spread income, as well as from capital appreciation of the Portfolio Collateral (the "*Income Notes*"). The Firm typically understands the holders of these notes to be "investors," who have a beneficial ownership in its investment program. References to "investors" throughout this Brochure will refer to holders of Income Notes.

The Firm intends to continue to manage the Portfolio Collateral until the due date of each Fund's Notes, as described more fully in each Fund's governing documents and in the offering circulars of the Notes.

The Firm is bound by its fiduciary duty to make only suitable investments on behalf of the Funds. Investment suitability is determined based on detailed guidelines agreed to by both the holders of the

Notes and the Firm upon the issuance of the Notes and as set forth in indentures. The Firm generally will not make investment recommendations based on the needs of individual purchasers of the Notes.

The Firm does not participate in wrap fee programs.

As of January 20<sup>th</sup>, 2012, the Firm manages approximately \$1,393,800,000 of client assets on a discretionary basis. The Firm does not manage client assets on a non-discretionary basis.

## **Item 5. Fees and Compensation**

The Firm is compensated for advisory services by management fees based on assets under management (the “*Management Fees*”). The Management Fee is paid from the income generated for the Funds from the interest and principal paid on the Portfolio Collateral. Typically, this income accrues in certain accounts held by the Funds. It is then paid out to creditors, the Firm and investors on a quarterly basis.

On a quarterly basis, the Firm is paid the Management Fee of roughly 0.5% of assets under management. A percentage of the Management Fee for each Fund is junior with respect to payment to the interest payments owed to the Funds’ creditors.

The Firm may also receive incentive fees from the Funds, should returns to investors exceed certain thresholds. After the payment of the Management Fee and the interest payments to creditors, and after certain provisions have been satisfied (as set forth in the Funds’ governing documents and the Notes’ offering circulars), the remaining income is generally allocated to investors, until they have realized a certain predetermined rate of return on their respective investments. Once this rate of return has been achieved, a portion of the additional income is allocated to the Firm, with the remainder being allocated to investors.

The Funds may also bear other fees and expenses. These expenses may include:

- i. Fees, indemnities, expenses or other amounts payable to the Funds’ trustees;
- ii. Administrative expenses of the Fund, including taxes, government fees, indemnities, registered office fees and expenses for third party loan pricing services and accountants;
- iii. Ratings, surveillance fees, shadow rating fees and credit estimate fees of ratings agencies that rate the creditworthiness of the Notes; and
- iv. Commissions, mark-ups, mark-downs and other fees associated with transactions in securities recommended by the Firm.

Please refer to “Brokerage Practices” for more information regarding the transaction costs that clients will bear.

The Firm will be compensated quarterly in arrears. In the event of a termination of an advisory contract, the Firm may be compensated *pro rata* for the period for which advisory services were rendered.

Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

As disclosed above, the Firm is compensated by its clients based on incentive fees. This compensation may create an incentive for the Firm to make riskier or more speculative investments than the Firm would make in the absence of such compensation. The Firm has strict investment guidelines that limit the types of assets it can acquire for client accounts, including the perceived creditworthiness of such assets. In addition, the Firm and its supervised persons have a significant amount of capital invested in the Funds. The Firm receives similar performance-based compensation from all of its clients.

## **Item 7. Types of Clients**

The Firm provides investment advice to CLOs. Each CLO is a private pooled investment vehicle, interests of which are offered only to investors that meet certain standards of net worth or knowledge about the Firm's investment program. Interests in the Funds are generally not redeemable. Investors in the Funds may include institutions, pension plans and high net worth individuals.

Depending on the Fund, the minimum initial investment ranges from \$100,000 to \$250,000.

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

The Firm performs a thorough credit analysis on issuers whose debt (or other securities) it considers for an investment. This will include consideration of the cyclical nature of the credit markets and the issuer's position and access to credit.

The Firm will also perform a thorough credit analysis of the issuer, including analysis of the debt structure of the company and the priority of the Firm's investment. This analysis will include detailed review of creditworthiness of the borrower and of the collateral, if any, securing the loan. The Firm will analyze the issuer's expected cash flow together with a top-down review of the issuer's credit structure. The Firm expects that this analysis will inform its decision whether to invest on behalf of its clients.

The Firm will generally recommend investments in United States dollar denominated commercial loans, including participation and assignment interests therein, or high yield corporate and other debt obligations, including synthetic securities and asset-backed securities. The Firm expects to invest heavily in interest-bearing loans and other instruments, which are expected to provide sufficient income to pay the interest to creditors, pay the Management Fee and expenses and potentially provide additional returns to investors. The types of instruments in which the Firm may invest are generally limited to primarily interest-bearing instruments. The instruments which the Firm recommends must also generally meet certain standards for creditworthiness, including having received certain ratings from third party ratings agencies.

Investors and creditors should be aware of certain special risk factors relating to the Firm's investment strategies and securities recommended. The following explanation of certain risks is not necessarily exhaustive, but rather highlights some of the more significant risks involved in the Firm's investment strategies. Investors should carefully review their offering circulars and the other governing documents of the Funds, which may contain additional explanations of risks not discussed below.

## **Risks of the Firm's Investment Program**

### **Dependence on Key Personnel.**

The Firm's investment program is highly dependent on the financial and managerial experience of its personnel. The loss of one or more of the individuals managing the Firm could have a significant material adverse effect on clients' performance.

### **Default Rates of Commercial Loans and High Yield Securities.**

There are varying sources of statistical default rate data for commercial loans and high yield securities and numerous methods for measuring default rates. The historical performance of the loan market or high yield market is not necessarily indicative of its future performance. Should increases in default rates occur with respect to the type of investments comprising the Portfolio Collateral, the actual default rates of the Portfolio Collateral may exceed the rates anticipated by the Firm.

### **The Firm and Investors Will Have Limited Control of the Administration and Amendment of Portfolio Loans.**

The Firm will exercise or enforce, or refrain from exercising or enforcing, any or all of its rights in connection with any loan held in the Portfolio Collateral (each, a "*Portfolio Loan*") or any related documents or will refuse or accept amendments or waivers of the terms of any Portfolio Loan and related documents in accordance with its customary business practices as if the Firm were administering the Portfolio Loans for its own account. The authority of the Firm to change the terms of the Portfolio Loans will generally not be restricted by the Fund's governing documents. The holders of the Notes will not have any right to compel the Firm to take or refrain from taking any actions other than in accordance with its customary business practices.

The terms and conditions of the loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of the Firm, as the case may be, if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which the Firm originally agreed.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Firm will have the authority to consent to certain amendments, waivers or modifications to the Portfolio Loans requested by obligors or the lead agents for loan syndication agreements. The Firm may, in accordance with its investment management standards and subject to the transaction documents, extend or defer the maturity, adjust the outstanding balance of any Portfolio Loan, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. The

Firm will make such determinations in accordance with its customary investment management standards. Any amendment, waiver or modification of a Portfolio Loan could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest or principal under the Notes, as well as the timing and amount of payments to holders of the Notes.

#### **Sale of Portfolio Collateral by the Firm under Certain Circumstances.**

The Firm may only direct the disposition of Portfolio Collateral under certain limited circumstances. More specifically, the Firm may direct the disposition of Portfolio Collateral that is equity, has defaulted (as defined in the Notes' offering circulars) or based on certain other conditions. Furthermore, the Firm's ability to dispose of Portfolio Collateral may be subject to greater restrictions if the rating of any series of Notes is downgraded. Notwithstanding such restrictions and satisfaction of the conditions set forth in the Funds' governing documents and Notes' offering circular, sales and purchases by the Firm of Portfolio Collateral could result in losses by the Firm, which losses may result in the reduction or withdrawal of the rating of any or all of the Notes. On the other hand, circumstances may exist under which the Firm may believe that it is in the best interests of the Firm to dispose of Portfolio Collateral, but the Firm will not be permitted to do so under the restrictions and conditions of the Indenture.

#### **Sale of Collateral upon Default of the Notes.**

The market value of the Portfolio Collateral will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the Firms of the Portfolio Collateral. In addition, a small amount of corporate debt instruments included in the Portfolio Collateral may have interest rates that remain constant until their maturity. Accordingly, their market value will generally fluctuate with changes in market rates of interest.

#### **Interest Rate Risk.**

The Notes generally will bear interest at a rate based on LIBOR, as described in the Notes' offering circulars. While most of the Portfolio Collateral will bear interest at floating rates, some of the Portfolio Collateral may bear interest at fixed rates. Further, the obligors under the Portfolio Loans which are floating rate collateral may choose different interest indices than the London interbank offered rate for three-month U.S. dollar deposits or the interest rates on the floating rate collateral may be determined or adjustments may take effect on different dates than is the case for the Notes.

#### **Risks of Securities Recommended by the Firm**

The Firm, on behalf of the Funds, may invest in unsecured loans, second lien loans, debtor-in-possession financings, delayed drawdown loans and revolving bank loans. Loans are not generally traded on organized exchange markets but rather would typically be traded by banks and other institutional investors engaged in loan syndications. The liquidity of such instruments will therefore depend on the liquidity of this market. Trading in loans is subject to delays as the transfers may require extensive and



customized documentation, the payment of significant fees and the consent of the agent bank or underlying obligor.

The Firm, on behalf of the Funds, may purchase participation interests ("*Participations*") in loans in certain circumstances. Participations are loan-based agreements that provide exposure to loans held by a third party (the "*Seller*"). Participations held by the Firm in a Seller's portion of a loan typically result in a contractual relationship only with such Seller, not with the obligor of the loan. The Firm has a right to receive payments of principal, interest and any fees to which it is entitled only from the Seller selling the Participation and only upon receipt by the Seller of such payments from the obligor. In connection with purchasing Participations, the Firm generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor, and the Firm may not directly benefit from the collateral supporting such loan in which it has purchased a Participation. As a result, the Firm, on behalf of the Funds, will assume the credit risk of both the obligor and the Seller. In the event of insolvency of such Seller, the Firm, on behalf of the Funds, may be treated as a general creditor of the Seller, and may not benefit from any set-off between such Seller and the obligor. When the Firm holds a Participation in a loan it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if the Firm does not vote as requested by the Seller, it may be subject to repurchase of the Participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different with those of the Firm, and such Seller may not consider the interests of the Firm in connection with their votes.

The Firm may also purchase loans initially made by other parties ("*Assignments*"). The purchaser of an Assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the loan. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an Assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of the Firm as an owner of a Participation, the Firm, on behalf of the Funds, as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some Assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for the Firm, on behalf of the Funds, and to promptly pay over to the Firm, on behalf of the Funds, such amounts as are received. As a purchaser of an Assignment, the Firm typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Firm will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supplying the loan. As a result, the Firm may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of the Firm to continue to receive payments of principal, interest or fees from the obligor. The Firm will, however, assume the credit risk of the obligor. Non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, substantial costs and a substantial reduction in the interest rate, a substantial write-down of the principal and/or a

substantial extension of the amortization and/or maturity date of the loan. Any such reduction, write-down or extension will likely cause a significant decrease in the interest collections on the loan and any such write-down or extension will likely also cause a significant decrease in the principal collections on the loans.

The Firm may invest in asset-backed securities that are subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, the underlying documents for certain of such asset-backed securities provide for the diversion of payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool of assets underlying such asset-backed securities exceeds certain levels or applicable overcollateralization or interest coverage tests are not satisfied. In certain circumstances, payments of interest on such securities may be reduced or eliminated for one or more payment dates, which may adversely affect the ability of the Firm to pay principal and interest in respect of the Notes. As a result of the foregoing, such subordinated asset-backed securities have a higher risk of loss than more senior classes of such securities. Additionally, as a result of the diversion of cash flow to more senior classes, the average life of such subordinated asset-backed securities may lengthen. Subordinated asset-backed securities generally do not have the right to trigger an event of default or vote on or direct remedies following a default until the more senior securities are paid in full. Finally, because subordinated asset-backed securities may represent a relatively small percentage of the size of the asset pool being securitized, the impact of a relatively small loss on the overall pool may be substantial on the individual asset-backed security.

The corporate and other debt obligations invested in by the Funds may be unsecured, may have been issued in connection with highly leveraged transactions and/or may be subordinate to certain other obligations of the Firm. A lower rating of such obligations reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the Firm to make payments of principal and interest. To the extent that a default occurs with respect to any security the Firm recommends, it is highly unlikely that the proceeds will be equal to the unpaid principal and interest thereof. In addition, future periods of uncertainty in the United States economy and the economies of other countries in which issuers are domiciled and the possibility of increased volatility and default rates in the high yield sector may also adversely affect the price and liquidity of high yield bonds in this market.

In addition, the Firm may recommend certain synthetic securities for the Funds insofar as such synthetic securities are suitable investments, as defined in the Funds' governing documents. Investments in such types of assets through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of such synthetic securities' reference obligations. With respect to synthetic securities, the Firm will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the reference obligation. The Firm generally will have neither right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, nor have any voting or other consensual rights of ownership with respect to the reference obligation. The Firm will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the

remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the Firm will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the reference obligation. Consequently, the Firm will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities entered into with anyone counterparty will subject the Notes to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor.

## **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to an evaluation of the Firm's advisory business or the integrity of the Firm's management.

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

The Firm has a related person that is also an investment advisor, Trimaran Credit Managers, L.P. ("*Trimaran Credit Managers*").

Trimaran Credit Managers provides investment advisory services to pooled investment vehicles regarding private equity investments and a credit fund in liquidation that is no longer making investments. Trimaran Credit Managers and the Firm share certain investment professionals, including the Managing Directors, who are responsible for making investment recommendations for both Trimaran Credit Managers and the Firm. No new investments are being recommended to Trimaran Credit Managers' clients. Furthermore, the investment strategies of the Funds and Trimaran Credit Managers' clients do not overlap. Therefore, the Firm and Trimaran Credit Managers do not compete for investments in any way. Therefore, the Firm does not believe that its relationship with Trimaran Credit Managers presents a material conflict with its Funds.

The Firm may also be restricted from transacting in securities of certain issuers based on material non-public information to which it is exposed based on its affiliation with Trimaran Credit Managers.

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

As an investment adviser, the Firm stands in a position of trust and confidence with respect to its clients. The Firm has a fiduciary duty to place the interests of the Funds before the interest of the Firm and its employees. All of the Firm's personnel must put the interests of the Funds before their own personal interests and must act honestly and fairly in dealings with the Funds. All of the Firm's personnel must also comply with all federal and other applicable securities laws.

As part of the Firm's Code of Ethics, the Firm has adopted a personal trading policy requiring all personnel to disclose all holdings in personal accounts and all personal securities transactions in a timely manner. The Firm also maintains a "Restricted List" of companies about which a determination has been made that it is prudent to restrict trading activity by the Firm and/or its personnel. Generally, an

employee may not trade securities of an issuer included on the Restricted List; however, exceptions may be granted under certain circumstances if pre-clearance is granted. The Firm may also require employees to pre-clear transactions in the securities of certain issuers that are not on the Restricted List, as determined by the Firm from time to time.

The Firm's Code of Ethics also contains policies regarding the control of non-public information, gifts and entertainment with business associates, and political contributions. The Firm's Code of Ethics is designed to promote the ethical behavior of all of the Firm's personnel and to ensure compliance with applicable regulation and best practices. The Firm will provide a copy of its Code of Ethics to any investor or prospective investor upon request.

The Firm's Code of Ethics forbids employees from transacting in securities that are held by the Firm's clients absent an exception granted by the Firm's Chief Compliance Officer. Employees are also restricted from transacting in a security within seven days of a transaction in such security on behalf of the Funds.

## **Item 12. Brokerage Practices**

The Firm considers a variety of factors in selecting broker-dealers for client transactions and determining the reasonableness of their compensation. As discussed in detail in the Firm's best execution policy contained in the Firm's compliance manual, the Firm considers factors such as quality of execution; ability to effect the transaction; the broker or dealer's facilities, reputation and stability; willingness to commit capital; overall costs of a trade including commissions, mark-ups and mark-downs; and other factors. If the Firm determines in good faith that any commissions charged by a broker or the prices charged by a dealer are reasonable in relation to the value of services rendered, the Funds may pay commissions to such broker or prices to such dealer that are greater than those another might charge.

Currently, the Firm does not enter into formal "soft dollar" arrangements, consider client referrals when selecting brokers or dealers, or enter or have any "directed brokerage" arrangements with clients.

The Firm may aggregate the purchase or sale of securities subject to best execution. Securities will generally be allocated among the Funds based on a number of factors, including suitability, capacity and the indenture for each Fund, except as may be otherwise advisable due to legal, tax, regulatory or other constraints, or after taking into account other considerations such as relative amounts of capital available for investments and the relative exposure to individual positions or market sectors. In the event that any allocation is made on a different basis, it shall be documented according to the Firm's written procedures.

## **Item 13. Review of Accounts**

On a regular basis, the holdings of the Funds are reviewed by the Managing Partners, who are primarily responsible for the investment recommendations made to clients. The Firm's holdings are also reviewed on a daily basis against various risk parameters by senior investment professionals. The results of this

review are communicated daily to key investment and trading personnel, including the Managing Partners.

While the Firm has no formal parameters that trigger reviews on any other basis, investments are reviewed constantly by the investment team and may be subject to immediate review if a member of the investment team deems that any substantial event effecting such investment has occurred.

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

The Firm does not receive an economic benefit for providing investment advice from anyone who is not a client. The Firm does not compensate any third parties for client or investor referrals.

### **Item 15. Custody**

The Firm does not have custody of client assets. The Bank of New York Mellon Corporation, as trustee, has custody of client assets. The Firm has discretionary authority to direct transactions on behalf of Clients, but does not have authority to gain possession of Client funds or securities.

### **Item 16. Investment Discretion**

The Firm's discretionary authority to make investments for clients is limited by the Funds' governing documents and the offering circulars of the Notes. The Firm is restricted in what percentage of client assets it can invest in certain asset classes (or in assets with certain credit ratings). The Firm has undertaken to invest the majority of client funds in corporate debt instruments that bear interest at floating rates defined with reference to LIBOR or a similar interest rate. The Firm is also restricted in the circumstances in which it may dispose of investments.

Each investor received an offering circular laying out the investment restrictions in place at the time of investment. Please refer to this offering circular for a more detailed description of the limits on the Firm's investment program.

In the Collateral Management Agreements that are executed with clients, the Firm assumes the right to purchase and dispose of investments within certain investment guidelines. The Firm also assumes the power to exercise all other rights and privileges associated with the securities its clients hold.

### **Item 17. Voting Client Securities**

Due to the nature of the Firm's investment program, the Firm anticipates that a substantial percentage of the portfolio will be comprised of assets that do not have voting authority. However, the Firm has adopted proxy voting policies to ensure that such securities that the Firm holds with voting authority are voted in the best interest of clients.

The Firm will consider relevant facts, including (but not limited to) the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with the proposal,

the effect on liquidity, customary industry and business practices, and the effect on the Firm's ability to implement its investment strategy.

In certain situations, conflicts of interest may arise between the interests of the Funds, on one hand, and the interest of the Firm or its affiliates, on the other. If the Firm determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Firm will address the situation in accordance with their supervisory procedures as set forth in the compliance manual. The Firm may, among other options, delegate the voting decision to an independent third party or notify clients as a further safeguard against potential conflicts of interest or as otherwise required by applicable law.

Clients may obtain a record of all proxies received and voted by the Firm by contacting the Firm's compliance department. Clients may also obtain a copy of proxy voting policies and procedures upon request.

### **Item 18. Financial Information**

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

The Firm has not been the subject of a bankruptcy petition at any time in the past ten years.

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

The Firm is not registering or registered with one or more state securities authorities.