

Item 1 Cover Page**Pemberton Capital Advisors LLP**

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Form ADV Part 2A: Firm Brochure**7 October 2016**

This Brochure provides information about the qualifications and business practices of Pemberton Capital Advisors LLP. If you have questions about our Brochure, call us at + 44 (0)20 7993 9300 or e-mail us at compliance@pembertonam.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any foreign or state securities authority.

More information about us is available on the SEC's website, www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum, related subscription materials or other governing legal documentation.

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Item 2 Material Changes

This is our Form ADV Part 2A. We have the following material changes from the date of our last Brochure, which was 5 May 2016.

- We are now the sub-adviser to Pemberton Debt Fund SCS, SICAV-FIS, a fund that was approved by the CSSF on 11 August 2016. This fund's Information Memorandum was Visa stamped by the CSSF on 9 September 2016. Certain of our related persons will perform roles for this fund, as described in Item 4. At the same time, they will perform roles for the existing fund, Pemberton European Mid-Market Debt Fund I SCS, a Luxembourg SICAV-FIS.
- On 28 July 2016, we formed and became the 100% owner of Pemberton Capital Advisors France SAS ("PCAF"). PCAF has not yet commenced trading. We discuss its intended role in Item 4, below.
- With effect from 1 September 2016, Ben Gulliver became a Partner.

In the future and when material changes occur, we will file an amended Brochure and send this to our clients.

Unless otherwise stated, information in this Brochure is current as of the date on the cover page.

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Pemberton Capital Advisors LLP

Item 4 Advisory Business

Pemberton Capital Advisors LLP (“PCA”) is a limited liability partnership incorporated in England and Wales in November 2010. We are authorised and regulated by the UK Financial Conduct Authority. We are one of several affiliated companies (“Pemberton Companies”) focused on advising pooled investment vehicles, funds or single investor funds (“Single Funds”) that make commercial loans to European mid-market corporates that are looking to grow and expand their business.

We employ 29 people. We have the following equity owners, as disclosed in our Form ADV Part 1: Legal & General Capital Investments Ltd-37.6%; PCA staff and management-30%; Symon Drake-Brockman (Managing Partner)-26.4%; and Pemberton Asset Management Services UK Limited-6%. We are the 100% owner of PCAF.

We are the sub-adviser to Pemberton European Mid-Market Debt Fund I SCS, a Luxembourg SICAV-FIS (“Fund”). The Fund’s general partner is Pemberton Capital S.à.r.l. (“GP”). The GP is a private limited company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly-owned subsidiary of Pemberton Asset Management Holdings Limited (“PAMH”). The Fund’s investment manager is Pemberton Asset Management S.A., a Luxembourg domiciled CSSF authorised Alternative Investment Fund Manager (“IM”). Pemberton Capital Advisors (Jersey) Limited is the investment adviser (“IA”). It is incorporated in Jersey and approved by the Jersey Financial Service Commission. The Fund is a *société d’investissement à capital variable – fonds d’investissement spécialisé* under Part I of the Luxembourg Act of 13 February 2007, in the form of a common limited partnership (*société en commandite simple*) organized and existing under Luxembourg law. It is a closed ended fund with a term of seven years with two additional one-year extensions at the GP’s option. The Fund’s objective is to invest in a portfolio of senior and senior secured loans to established mid-market European corporates to generate a quarterly income stream and attractive total returns for investors. It is expected that the Fund will hard close (not take any new investor funds) on or before 3 November 2016.

We are the sub-adviser to Pemberton Debt Fund SCS, SICAV-FIS, a Luxembourg investment company with variable capital (“Debt Fund”), launched on 9 September 2016. The Debt Fund’s general partner is Pemberton Debt GP S.à.r.l. (“Debt GP”), a private limited company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly-owned subsidiary of PAMH. The IM is the Debt Fund’s investment manager. The IA is the Debt Fund’s investment adviser. The roles of each of the IM, the IA and our role as sub-adviser will apply to each of the Debt Fund’s compartments, noted below.

- The Debt Fund is an umbrella fund structure with separate investment compartments. Each compartment will have its own assets (a loan portfolio) and its own investment process, objectives and restrictions. Each compartment will have its own supplement to the Debt Fund’s Information Memorandum.
- The Debt Fund’s objective is to invest, via its existing and future compartments, in a portfolio of loans of varying seniority and risk to mid-market European corporates to generate an expected quarterly income stream and attractive total returns for investors.
- U.S. tax-paying investors will invest directly into a feeder fund, Pemberton Debt Fund Delaware I L.P., (“Debt Feeder Fund”), a Delaware limited partnership. All funds in the Debt Feeder Fund will

be invested directly in the Debt Fund. Pemberton GP I (Cayman) Limited (“P Debt GP”), a Cayman limited company, will be the general partner of the Debt Feeder Fund. All investors other than U.S. tax-paying investors will invest directly into the Debt Fund.

- The Debt Fund launched with Pemberton Debt Fund – Compartment 1 and Pemberton Debt Fund – Compartment 2. The investment objective of these two compartments is to invest in a portfolio of senior secured loans to established mid-market European companies to generate an expected quarterly income stream and attractive total returns for Investors. Both compartments have investment restrictions, as set forth in the Compartment Supplement to the Debt Fund Information Memorandum. Loans in one compartment may or may not be appropriate for or made in the other compartment.
- Pemberton Debt Fund – Compartment 1 intends to use leverage in making loans. Compartment 2 will not use leverage. The use of leverage is explained in Item 8, below.
- Compartment 1 is a sub-fund that is broadly parallel to the Fund and, amongst other things, will hold the same investments as the Fund, subject to certain relevant considerations (as set forth in the relevant offering materials) that include, among other criteria, tax, regulatory and eligibility constraints imposed by the leverage lender, with the result that there will be different proportions of and/or different investments being held by Compartment 1 and the Fund.

Each of the GP and the IM filed a report on Form ADV Part 1 with the SEC as a “Private Fund Adviser”. Each of the Debt GP and P Debt GP filed its report to become a Private Fund Adviser on the GP’s report on Form ADV Part 1. These are available via www.adviserinfo.sec.gov.

Pemberton works with leading European banks, private companies, private equity (“PE”) sponsors, advisors and other key stakeholders to invest in:

- (i) *Non-Sponsor Corporate loans* – providing growth or acquisition finance to, or refinancing existing debt packages of, European mid-market corporates;
- (ii) *Mid-Market PE Sponsor loans* – supporting PE sponsors in financing European mid-market leveraged buyouts.

Investment opportunities for the Fund and the Debt Fund are sourced through the extensive and long-standing relationships of the PCA Origination Team and with **Pemberton Capital Advisors GmbH (PAM GmbH)** and PCAF, both related persons of PCA, with banks, intermediaries and PE sponsors focused on the European mid-market.

PCA believes that working closely with banks is the most sustainable long-term approach to participation in the European private debt market and that this approach provides the Fund and the Debt Fund with access to attractive investment opportunities that are not accessible by investors sourcing investment opportunities in competition with the banks.

PCA’s investment strategy prioritises engaging with borrowers and banks early in the transaction process, enabling its Portfolio Management Team to directly negotiate the terms of its investments to meet both the financing needs of borrowers and the Fund’s and the Debt Fund’s investment criteria.

The Fund and the Debt Fund focus on the three largest European economies, Germany, the UK and France, which account for more than half of EU-28 GDP, with selected other countries in Europe including non-EU members Norway and Switzerland.

The securities of the Fund and the Debt Fund are offered on a private placement basis. In the United States, they are offered pursuant to Regulation D under the U.S. Securities Act of 1933. Each fund is exempt from the definition of an investment company pursuant to Section 3(c)(7) of the U.S. Investment Company Act of 1940.

We and other Pemberton Companies, including PCAF, research and identify opportunities to invest in commercial loans (and in time, securities) and conduct due diligence on potential borrowers. We take this research and analysis, distill it and provide recommendations to the IM (copied to the IA). The IM's Investment Committee reviews our recommendations and determines either to make or decline the proposed investment, notifying the GP and/or the Debt GP of its decision and requesting the GP and/or the Debt GP or the equivalent body for a Single Fund to arrange the execution of the loan. Post-loan, we review the creditworthiness of the borrower and help ensure that the loan is timely repaid – or advise on a course of action in the event of a default.

As at 30 September 2016, our assets under management were US\$ 1,060,384,500.

Item 5 Fees and Compensation

We receive certain fees, incentive allocations and other compensation. Each of the GP and the Debt GP receives a management fee from its respective fund that is paid quarterly in advance based on limited partner commitments to that fund. Each of the GP and the Debt GP will then pay a portion of this, after any agreed fee rebates to any individual limited partner, to the IM, less costs and margin. The IM, in turn, pays a portion of this for each fund to the IA and the IA pays a portion of this fee to us, in each case, less the respective entity's costs and margin.

The fees of the funds are calculated during the period to the end of the investment period on the basis of limited partner commitments, and thereafter on the basis of assets under management. The amount of fees received by us will be equivalent to the net residual management fee paid to the GP and the Debt GP, after deducting non-reimbursable operating expenses paid by the IM and the IA and the net profit margin before tax retained by the GP and the Debt GP, the IM and the IA.

In addition, we receive from the IA on a quarterly basis an amount to cover any reasonable costs and expenses that we incur, including in relation to the fund investment program.

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

We do not engage in side-by-side management.

Item 7 Types of Clients

As noted above, as sub-adviser to the funds we provide research and recommendations to our client, the IM. This is expected to be the case with respect to future funds and any Single Funds. Fund, Debt Fund and Single Fund investors will include both U.S. and non-U.S. institutional investors, including ERISA pension funds.

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

We are the sub-adviser to the Fund and the Debt Fund.

A. Sourcing loans

The primary responsibility for identifying and sourcing loans resides with our Origination Team, which includes our staff, members of other Pemberton Companies and advisors in Italy and Spain. The Origination Team's direct coverage of the markets in which the Fund and the Debt Fund seek to invest provides local relationships, market knowledge and insight to access high quality, locally-sourced deal flow across Europe.

Investment opportunities are sourced through the extensive and long-standing relationships that our Origination Team and Portfolio Management Team have individually built over several years with banks, intermediaries and PE sponsors focused on the European mid-market. We believe that this approach offers a number of advantages.

- Having a permanent presence on the ground in key markets facilitates closer relationships with locally based banks and other market participants and intermediaries that may be key sources of market and borrower intelligence and investment opportunities.
- Focusing on primary transactions is likely to result in better pricing and risk-adjusted returns for investors as we believe there to be less competition and higher up-front fees than for secondary market transactions.
- Focusing on primary market transactions helps minimize risk as it enables us to influence the structure of transactions and investor protections through direct input into commercial negotiations and legal documentation.

We expect the majority of loans to be direct bilateral, club or syndicated loans. However, legal requirements in certain jurisdictions in Europe, or timing considerations, may result in loans being structured as sub-participations or as private placements.

B. Selecting loans

The Origination Team will evaluate new investment opportunities against a fund's investment criteria, considering, *inter alia*, the borrower's size, business profile and business model, its competitive and market position, its industry sector and the maturity, structure, pricing and security of a loan. If the Origination Team considers that the potential opportunity is attractive, it will discuss this with the Portfolio Management Team. If the Portfolio Management Team agrees that a potential transaction is worthy of further investigation, the potential loan enters our due diligence process. Here, after further research, the Portfolio Management and Origination Teams jointly prepare a paper for submission and initial review by to our Credit Review Committee ("CRC"). This typically addresses the following topics:

- the background to the transaction and investment rationale;
- the source of the introduction and/or history of the relationship;

- an initial or indicative description of the borrower including its business mode, competitive position, growth drivers,
- an initial or indicative description of the management, ownership and strengths and weaknesses;
- an overview of the borrower's industry sector;
- a summary of the financial performance of the borrower:
 - a review of recent and current trading; and
 - a review of P&L, balance sheet and key financial ratios;
- the currently proposed pricing and fees;
- an initial credit assessment; and
- the legal structure and jurisdiction of the transaction.

If the CRC supports the proposed transaction, it will authorize the Portfolio Management Team to undertake more detailed due diligence on the potential loan and proceed to structuring, negotiating and completing due diligence.

Due diligence includes an investigation of major business, accounting, tax, legal and regulatory issues as well as meetings with the senior management of the borrower. We use external independent advisors where necessary.

We build a financial model for each loan based on information provided by the proposed borrower, which will typically include a business plan comprising an operational plan and detailed financial forecasts. The borrower's business plan will then be stress tested to take account of different scenarios for future business performance, focusing on factors expected to strengthen or weaken a borrower's financial position. The credit review will include a financial comparison to competitors in the same sector, an industry review and a management assessment.

This process includes an appropriate level of governance to ensure proper communication and documentation of all steps.

If the Portfolio Management Team still considers the potential transaction to be attractive, it will submit a more detailed Credit Paper to the CRC. This will address the same topics as the initial credit review paper but in greater depth and with the advantage of the more detailed information gathered during the due diligence process, and will include a final internal credit rating. If the transaction and the Credit Paper receive CRC support, the Credit Paper will be submitted, with CRC's endorsement and comments, if any, to the IM for review and approval at its Investment Committee.

The IM, acting through its Investment Committee, has full discretion to approve or decline a loan proposal. It may approve the terms of a proposed loan subject to final changes to such terms being made by us provided that any such changes are not material and that the final terms are subsequently submitted to the IM for review and confirmation. If there are material changes to the terms of a loan before signing but after the proposed loan is approved, the CRC must review the terms again and if, if it still considers the loan appropriate, it will confirm its support for the transaction to the IM, which has full discretion to approve or reject the proposed loan.

After a loan that is approved, the Portfolio Management Team will arrange for the execution and closing of the loan on behalf of the respective fund, including:

- Completion of all remaining formal customer due diligence;
- Finalizing and procuring execution of the loan and security documentation;
- Ensuring the transaction is booked correctly in the fund's Administrator's systems;
- Ensuring all conditions precedent are met or any non-material deviations agreed and waived; and
- Obtaining final sign off from our Managing Partner, the Chief Credit Officer or the Chief Operating Officer prior to the release of funds to the borrower.

C. Leverage (limited to Compartment 1)

A compartment of the Debt Fund may utilise leverage with a view to enhancing the investment returns of that compartment. Such leverage will not exceed 100% of the aggregate investor commitments to that compartment at the end of the investment period, taking into account currency fluctuations. A Compartment may also borrow from third party providers, such as a bank, in other limited circumstances, including, *inter alia*, to pay the fees and expenses of the respective fund and to make investments pending receipt of drawdowns. Under the terms of the leverage facility provided by the leverage lender, there are certain relevant considerations on assets in which this compartment may invest in addition to those in the offering document. These relevant considerations include tax, regulatory and eligibility constraints. Compliance with these considerations will be monitored at the point of acquisition by the portfolio manager and on an ongoing basis by the external collateral monitoring agent.

D. On-going loan management

We have a sophisticated loan servicing and monitoring platform. The platform enables us to monitor within one integrated back office the following:

- Credit rating and credit migration;
- Collateral management and unsecured exposure;
- Covenant monitoring and all payments;
- Loan administration and waivers, including bilateral and agency functions;
- Financial reporting; and
- Integrated reporting on each loan and the portfolio through the life cycle of the loan.

Servicing is divided between credit monitoring and administrative functions, as set out below.

Credit monitoring: monitoring the performance of Portfolio Investments post-close will be undertaken using a two level approach of ongoing monitoring and formal semi-annual reviews.

On-going process: we monitor updated financial information submitted by borrowers under the terms of their loans as well as any public announcements by borrowers. Our corporate credit rating system updates the credit rating for each Portfolio Investment upon the receipt and analysis of updated

financial information from the borrower. We monitor alerts from our Early Warning System (proprietary software): We operate a “traffic light system” to prioritize and track under-performing loans, with results circulated to the CRC.

We attend a meeting with the management of the borrowers no less than annually.

Formal reviews: each loan will undergo a formal semi-annual review by the CRC. Loans on the Watch List will be discussed on a weekly basis at a CRC meeting. The IM will be consulted in the event remediation action is recommended with respect to an investment on the Watch List.

D. Risks

General regulatory risk

We have obtained those licences and consents required from banking and financial services regulators to conduct business and seek to comply with all applicable laws and regulations. The possibility cannot be excluded, however, that either by reason of a change in law or regulation or their interpretation in any applicable jurisdiction or by reason of law or regulation of which we are unaware, certain activities or those of an agent in relation to the issue and offering of a fund and the investment and management of the Portfolio Investments may constitute the provision of cross-border banking or financial services under any applicable banking or financial services law or regulation in any jurisdictions. Should it be determined that we have failed to comply with any applicable licence or consent requirements under any applicable banking or financial services law or regulation in any jurisdiction in relation to the issue and offering of a fund and the investment and management of the Portfolio, the regulators in such jurisdiction could, to an extent that they have authority to do so, impose sanctions on certain of the parties involved, including the fund, seeking the immediate cessation of such parties’ activities in that jurisdiction, liquidation of the transactions conducted by a fund in that jurisdiction or with Limited Partners in or from that jurisdiction and even the imposition of criminal sanctions.

Brexit

In the absence of hard data and until the UK Government starts the negotiation process to leave the EU and serves the Article 50 notice (a 2 October speech by the UK Prime Minister included a remark that the notice would be given by the end of March 2017, but no guarantee can be given that this will happen), it is difficult to assess the economic impact and risks of Brexit. Our business has arisen as a result of a reduction in bank cross-border and domestic lending to mid-market corporates in the wake of the global financial crisis of 2008, creating demand for financing from non-bank sources. Bank lending volumes are unlikely to be stimulated by the uncertainty around Brexit and, compounded by the results of the EBA’s latest round of bank stress testing, we believe this trend is set to continue through the end of 2017 and until the Brexit roadmap is clarified and implemented.

Impact of further regulation or changes to regulation in the financial markets

The instability in the financial markets has led to a number of unprecedented actions being taken by governments to support certain financial institutions and segments of the financial markets that have

experienced volatility or a lack of liquidity. Governments, their regulatory agencies or self-regulatory organizations may take additional actions that affect the regulation of the assets in which the Fund invests, or the issuers of such assets, in ways that are unforeseeable.

Legislation and regulation may also change the way in which a fund operates or is regulated. If legislation or government regulations impose any additional requirements or restrictions on the ability of financial institutions to make loans, the ability of a fund to originate loans or the availability of loans in the secondary market for investment may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain borrowers. This would increase the risk of defaults.

Investor-related regulation such as Solvency II and other similar national or EU regulatory constraints applicable to banks, insurance companies and pension funds may have an impact on a limited partner's investments in a fund. Each prospective Investor is urged to consult its advisors prior to making an investment in the securities of a fund and to verify to what extent it can take such regulatory risk exposure.

Risk relating to the UK Banking Act 2009

The Banking Act 2009 outlines the special resolution powers and mechanisms to be made available to the Bank of England, the UK Treasury and the UK Financial Conduct Authority ("Authorities") to deal with banks that have failed or are likely to fail the threshold conditions under the Financial Services and Markets Act 2000 to carry on regulated activities. If the appropriate triggers are met, the Authorities may: (i) transfer shares in, or the property of, a bank to a commercial purchaser; (ii) transfer the property of a bank to a bridge company which is wholly owned by the Bank of England; or (iii) transfer shares of a bank to a nominee of the Treasury. The Authorities can order the transfer of any property of a bank without regard to any requirements for consent to transfer or any contractual or other restrictions on transfer.

If a fund has entered into agreements, including, but not limited to, any interest rate swaps or participations with an affected bank, the rights of a fund under any transferred property may be compromised. Further, if any property held on trust by the affected bank is transferred, the Authorities may order the alteration or removal of such trust.

Jurisdictional structure and regulation

In certain jurisdictions in which a fund will seek to invest, additional structuring steps may need to be taken to enable entities, such as a fund, that are not authorized to carry on banking activities in those jurisdictions, to extend (or facilitate the extension of) loans to third parties. These activities may make it more difficult to execute an investment strategy and/or may lead to additional costs being incurred, which may reduce the returns to investors.

Enforcement of judgments

It may be difficult to gain or enforce judgments in legal disputes relating to loans. The GP considers that the legal systems of the markets in which it makes loans are well developed.

LIBOR

A change in the method of calculation or discontinuance of the London Inter-Bank Offered Rate ("LIBOR") could have a negative impact on the value of any floating rate Portfolio Investments where the interest rate is calculated with reference to LIBOR. The current administrator of LIBOR is ICE Benchmark Administration and it is possible the administrator, and the method of calculating LIBOR, could change in the future. Any new administrator of LIBOR may make methodological changes that could change the level of LIBOR, which in turn may adversely affect the value of the Portfolio Investments. Any new administrator of LIBOR may also alter, discontinue or suspend calculation or dissemination of LIBOR. No administrator of LIBOR will have any obligation to any investor in respect of any floating rate Portfolio Investments.

Specific risks are set forth in a fund's offering memorandum and must be reviewed by each investor prior to investing.

Item 9 Disciplinary Information

There is nothing to report.

Item 10 Other Financial Industry Activities and Affiliations

There is overlap between the membership of the IM's Board, the IA's Board, the Debt GP and our Management.

There is also at least one independent non-executive director on the governing body of each Pemberton Company who is not a member of another company. This helps ensure that the interests of the different governing bodies are substantially aligned but each has an independent voice focused exclusively on the interests of that corporate entity.

Our officers, partners and employees hold multiple roles in two or more Pemberton Companies. Our partners and staff that perform multiple roles are Mr Drake-Brockman, Managing Partner, Conrad Teppema, our Chief Credit Officer, Christopher Higgins, our Chief Operating Officer, Corinna Mitchell, our General Counsel, and Helen Richards, our Chief Compliance Officer. To address such conflicts, we supervise the roles involved, prepare records of meetings and decisions taken, identify and address conflicts for board of directors meetings and Investment Committee meetings, require recusal from meetings and decisions when warranted and maintain pre-clearance requirements and account and position reporting requirements under the PCA Code of Ethics (Item 11).

Our major shareholder, Legal & General Capital Investments Ltd, has two seats on the PCA Executive Management, Audit, Ethics and Operational Risk and Controls committees.

Mr Teppema, our Chief Credit Officer, and Mr Higgins, our Chief Operating Officer, are members of our Executive Management Committee and directors of the IM. Mr Higgins, Ms Mitchell and Ms Richards are Partners of PCA.

Certain Partners and staff members may invest in or alongside the Fund or the Debt Fund. Currently, Partners can only invest in Pemberton CIP LP ("Carry Partner") alongside the Fund and are subject to a waterfall on the carried interest provisions that seeks to align interests and permits distributions of carried interest to partners only after all of the fund's Limited Partners have received return of their principal investments and a hurdle rate of return of 4% per annual compounded (only for the Fund and Pemberton Debt Fund – Compartment 1.)

The assets originated for a fund are typically hard to value illiquid private loans, and we control their valuation through the setting of valuation policies and the management of the valuation process. This is a conflict of interest. We address this conflict by appointing Markit, as an independent valuation advisor, which provides asset valuation reports as an independent check on our calculation analysis and recommendations at the point of decision by the IM's Valuation Committee. Within our firm and the IM, in compliance with the AIFM Directive requirements, the individuals undertaking the valuations for each fund are independent from the portfolio management and market investing decision making process and the sub-advisor's investment review and approval process. In addition, the IM's Valuation Committee comprises of two individuals who are independent from the investment process. Finally, the fund's Auditor will review the valuations as part of the annual audit.

During the investment period for a fund, fees will be based upon the value of a fund's loans. Discretionary remuneration of our partners and staff and the value of the units of the carried interest vehicle may not be fairly determined in the event that the assets of a fund are overstated. This risk and conflict of interest is addressed by using the Markit asset valuation reports as a check to ensure that fund assets are properly valued and, in turn, that fees are calculated based upon this valuation.

Members of our staff have confidential client information arising from the execution of their duties. To address this conflict of interest, we require all personal account transaction activity to comply fully with our Code of Ethics (Item 11, below). We also engage in monitoring and testing to help ensure compliance with our Code of Ethics.

Our staff may receive gifts and entertainments from suppliers and service providers, or give these to them. The giving or acceptance of such gifts and entertainments may influence the relationship between our suppliers and service providers and us. As noted above, we require disclosure of gifts and entertainment and pre-clearance of gifts and entertainment above a set amount. Our staff may engage in outside activities or hold non-executive directorships or shareholdings in third parties with whom we are not affiliated. To address this, we require the disclosure of all outside activities and, where a conflict of interest arises, we may require recusal or the cessation of a relationship.

The remuneration of our investment and research professionals are aligned with fund performance. While this may incentivise these staff members to increase their risk appetite in a fund, it creates a conflict of interest. To address this, we ensure a clear basis for all loan transactions and monitor the credit review process for compliance with our policies and procedures.

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

As a fiduciary, we owe a duty to our clients to act solely in their best interests. We have adopted a code of ethics pursuant to Advisers Act Rule 204A-1. Under our Code of Ethics, officers, partners and employees are “supervised persons”, must comply with the U.S. federal securities laws at all times and act in accordance with standards articulated in the Code of Ethics.

The Code of Ethics contains policies and procedures that are designed to address the material conflicts of interest associated with the personal trading activities of access persons. These include a personal account transaction policy to address the conflicts of interest presented by personal trading activities. Transactions in certain investments are prohibited, while others require a pre-clearance. Additional policies and procedures to help ensure compliance with Rule 204A-1 are in place. These include: the prevention of misuse of material non-public information or confidential client or investor information; the delivery of the Code of Ethics and a written acknowledgment of its receipt (initial and annual); analysis of Code activity; initial, quarterly and annual reporting requirements; and a requirement to report promptly any suspected violations of our Code of Ethics. All supervised persons are expected to discuss any perceived risks or concerns with the Chief Compliance Officer.

A copy of our Code of Ethics is available upon written request.

Item 12 Brokerage Practices

It is not the intention of a fund to buy or sell securities. We do not intend to engage in any activity that involves brokerage or soft commissions. Nevertheless, on occasion, a loan will be made to a borrower in the form of a fund buying a bond of the borrower (on a private placement basis). That bond would be held as a loan and the redemption of the bond would be treated as the repayment of the loan in question.

Item 13 Review of Accounts

We provide credit review for loans on a continuous basis. There are regular meetings to discuss loans, potential loans and other related matters, as well as addressing the conflicts that arise from such activities. We review loan valuations on at least a quarterly basis. Fund administrators are responsible for the final determination of the calculation of fees.

Item 14 Client Referrals and Other Compensation

We do not have a solicitation agreement within the scope of Advisers Act Rule 206(4)-3.

Item 15 Custody

Loan documentation is held by the IM and designated loan agents. Since a fund does not buy, sell or hold securities, and loan documentation is held by independent third parties, we do not have custody as envisaged by Advisers Act Rule 206(4)-2.

Item 16 Investment Discretion

We provide research and recommendations for commercial loans as a sub-adviser. From time to time we may consider a loan that would be suitable for the Fund or one or more compartments of the Debt Fund. This is an allocation issue and a conflict of interest. To address this, loans are considered and made based upon objective criteria that is assessed in the credit due diligence process and without regard to fees.

Item 17 Voting Client Securities

We would exercise our voting rights whenever there is a restructuring that requires different creditor groups to vote on a restructuring plan. Other than this, we would not vote proxies.

Item 18 Financial Information

There is nothing to disclose.

Item 19 Requirements for State-Registered Advisers

We are not registered with any state securities authority.